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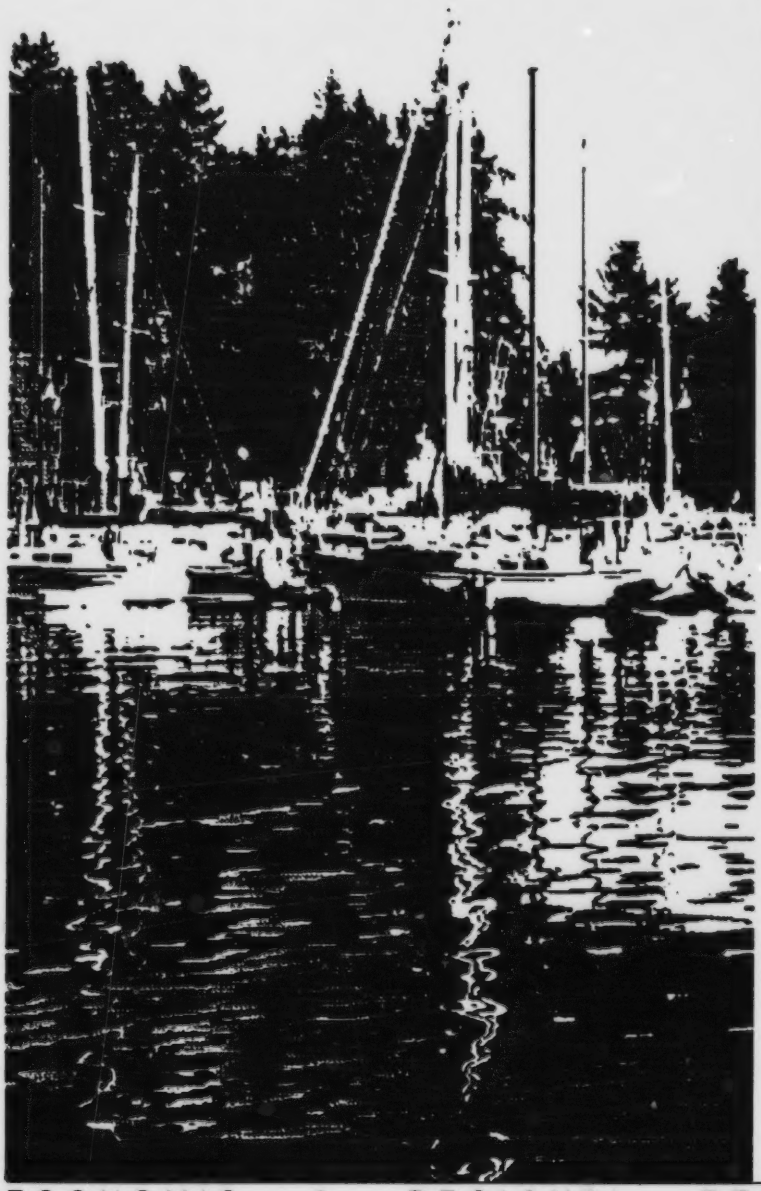

Marine Tourism in British Columbia:

Opportunity Analysis

ECONOMIC & REGIONAL DEVELOPMENT AGREEMENT

Canada

BC

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Summary Report

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The responsibility for the content of this report is the consultant's alone, and the conclusions reached herein do not necessarily reflect the opinions of those who assisted during the course of this investigation or the federal and provincial governments which funded the study.

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Industrie, Sciences et Technologie Canada

British Columbia
Ministry of Regional and Economic Development

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MARINE TOURISM IN BRITISH COLUMBIA:

OPPORTUNITY ANALYSIS

SUMMARY REPORT

Prepared for:

Industry, Science and Technology Canada
Ministry of Tourism
Ministry of Regional and Economic Development

Funded by:

Canada - British Columbia Tourist Industry Development Subsidiary Agreement

Prepared by:

The ARA Consulting Group
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1.0 Introduction and Scope

British Columbia is home to a rich outdoor environment comprising mountain regions, rivers, freshwater lakes, and extensive coastline areas. In British Columbia, the salt and freshwater resources of the province are emerging as an important factor in offering both recreational and tourism opportunities to residents and visitors alike. The activity most in demand is sportfishing, providing enjoyment for British Columbia residents and business opportunities to entrepreneurs who service this demand. It is estimated that the expenditures by sport fishermen in British Columbia was about $1.3 billion in 1989.[1] The majority of these expenditures, an estimated $800 million, is attributable to tidal sportfishing recreational and tourism activity. In addition to recreational spending, a significant component of this expenditure is derived from the tourism sector.

Significant growth in the marine tourism sector which is dependent on the saltwater resources has occurred in the last five years, led largely by increases in lodge and resort developments offering sportfishing products. Marine tourism is comprised of other tourism activities, including power and sail cruising, scuba diving and kayaking, which are also experiencing growth. These activities which allow visitors to explore and experience the coast, combined with sportfishing, generated an estimated $220 million in 1989.

Up to this point, however, the scope and contribution of the marine tourism industry has not been fully documented. In recognition of the importance of this sector, the Ministry of Tourism has turned its attention to the marine tourism industry, commissioning this study to prepare a detailed profile of the industry and identify growth opportunities.

1.1 Study Scope and Objectives

Unlike other sector studies which have investigated a single, well-defined group of operators, the marine tourism industry is a diverse industry which includes not only commercial operators, but facilities and events or attractions which are managed by either groups or government agencies ranging from local to federal levels. Commercial operators, the focus of this study, include marinas, charter operators, and fishing lodges and resorts offering a range of activities, power and sail cruising, sport fishing, kayaking, scuba diving, whalewatching and wildlife viewing.

In addition to the commercial operators there are a number of other organizations or agencies which provide facilities or offer activities which are all marine based. These include the small craft harbour network (involving both federal and local harbour commission management),

[1] Department of Fisheries and Oceans, 1985 Survey of Sportfishing Activity in British Columbia, 1985. This report estimated about $1.05 billion in economic contribution in 1985 based on a survey of sportfishing license holders. Estimates for 1989 are based on extrapolation of the DFO estimates (see the main report for a more detailed discussion).

provincial parks located along the coastline, community based attractions and events which focus on marine related themes, yacht clubs and boating schools, and the B.C. ferry system itself. The common thread in all activities is a British Columbia marine tourism experience. This study investigates the nature of that experience from a tourism perspective, profiles the industry and ancillary activities that have emerged to capitalize on British Columbia's internationally competitive marine resources, and identifies initiatives which can be undertaken by government or in partnership with the industry to ensure continued viability and growth opportunities.

1.2 What is Marine Tourism?

The consumer of marine tourism can generally elect to participate in several ways including:

- guided/skippered
- non-guided or independent experiences
- participation in events and activities.

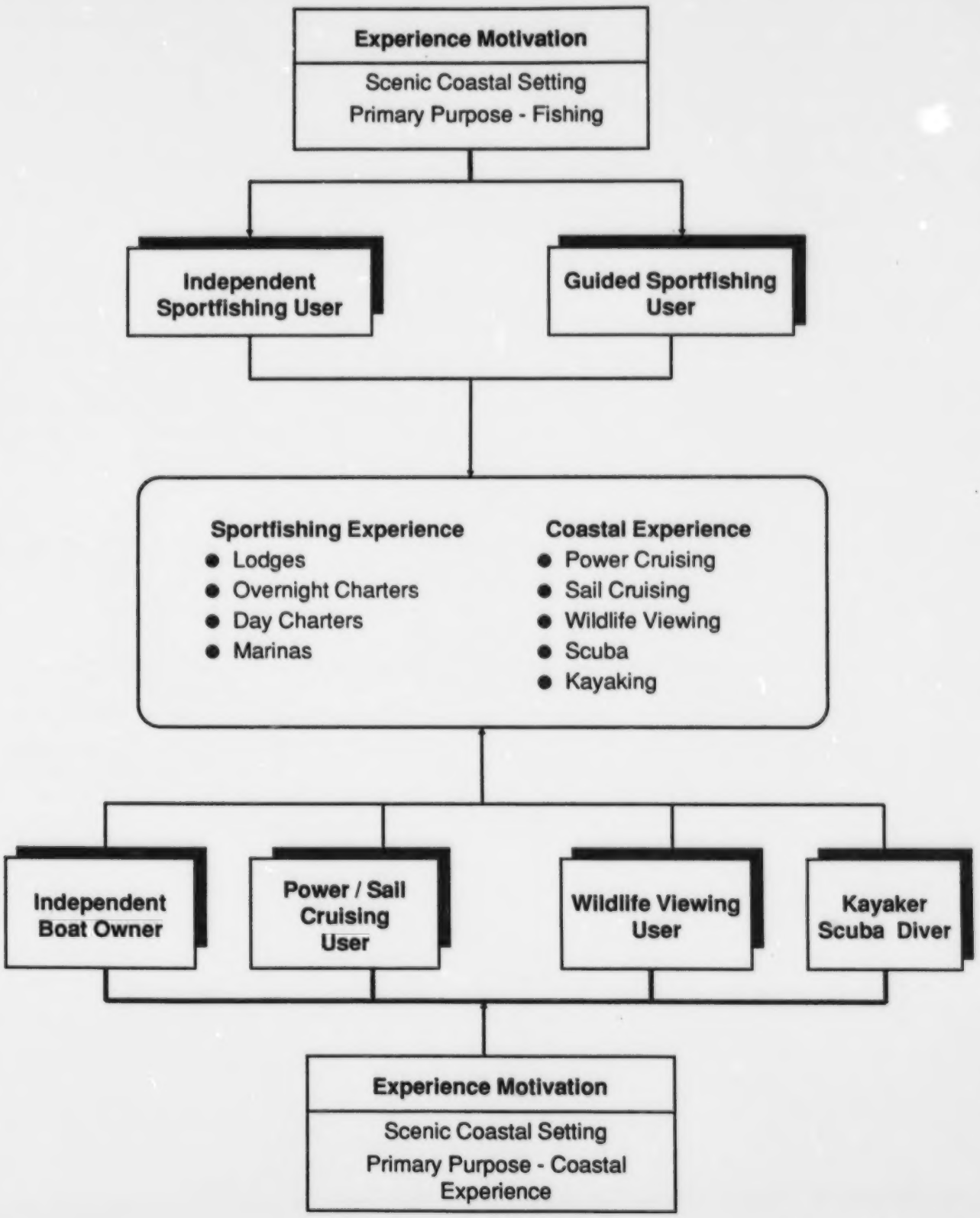
For the purposes of this report, the focus is on the marine tourism industry. Accordingly, the definition which has been adopted for this study defines the marine tourism industry as those commercial operations which consumers use as part of their marine or coastal experience. This can include both guided users who purchase a package and/or related services from a commercial operator and independent users who may purchase services from a commercial operator during the course of their marine experience.

The marine tourism industry is perhaps more complex than most other tourism sectors. Users, for example, can specialize and choose to engage in one activity such as sportfishing. On the other hand users can combine many activities such as power cruising, sportfishing and wildlife viewing to create their marine tourism experience. The general motivation of consumers for a marine experience is illustrated in Exhibit 1.1. In addition to a common motivation to enjoy the scenic coastal setting offered by British Columbia's coastline, users may choose to participate in the marine experience either as an independent user or on a guided basis.

In order to profile the industry, a classification system was required to capture the options available to the consumer on the one hand and define the industry on the other. The system, was based on the marine experience which generates the greatest revenues for individual commercial operators. Operators were classified into the following marine experiences:

- sportfishing
- power cruising
- sail cruising
- marina activities
- scuba diving
- wildlife viewing
- kayaking.

Exhibit 1.1: Marine Tourism Industry



For the purposes of summary reporting, it was also decided to describe the industry in terms of two general categories:

- operators whose primary activity was categorized as sportfishing related experiences
- operators whose primary activity was categorized as a general coastal experience.

The breakdown between sportfishing and coastal experiences was clear in all cases except for marinas given that they serve virtually all operator types. Based on the research data, it was determined that marinas should be included in the sportfishing related experience group.

1.3 Study Methodology

Several data collection methods were employed to assemble both primary and secondary data on marine tourism products and markets. These included both telephone and mail-out surveys as well as a review of secondary data sources. The surveys were extensive and included the following groups:

- commercial marine tourism operators
- marine attractions
- marine related events
- boating schools
- boating clubs
- air charters
- users of the marine tourism product
- associations
- travel influencers.

Secondary research was used to collect information on the following areas:

- summer cottage industry
- boat sales
- public harbours and wharfs
- provincial parks
- fishing license data.

2.0 Key Findings

2.1 Industry Product Profile

The marine tourism industry offers a diverse range of product for its user base. It is estimated that there were 780 operators in 1989. Fishing related operators represent approximately 74% of the marine tourism industry. The majority (52%) of these operators are day charter operators followed by marinas (29%), lodges (14%) and overnight charters (5%). Coastal experience operators comprised 24% of the marine tourism industry. Thirty-four percent of these operators offered power cruising, 24% sail cruising and wildlife viewing, 10% scuba diving and 8% kayaking. Key product features of each sector of the marine tourism industry are summarized in Exhibit 2.1.

Sportfishing Lodges

The number of sportfishing lodges located along British Columbia's coast has doubled since 1987 to its current level of about 80 facilities. The lodges comprise two distinct groups based on the type of product they offer; full service and economy service. Full service facilities offer an all inclusive package covering meals, accommodation, fishing (guides, boats, etc) and, in many cases, air transportation to the lodge itself. Priced at a premium, these facilities typically include amenities such as hot tubs, common areas, a dining area and comfortable rooms. Economy lodges, on the other hand, offer lower priced packages and might only include accommodation, boats and guides. Clients must provide their own transportation to the facility and kitchenettes are provided for meals.

Overnight Fishing Charters

Like fishing lodges, the estimated 30 businesses offering overnight fishing charters include both full service and economy charter packages. Full service charter operations provide large, luxurious vessels with staterooms, a general meeting area and often a separate dining area. The staff to client ratio is generally high, reflecting the level of personal service. Fishing is undertaken through the use of smaller boats and, in many cases, fishing guides are provided. Economy fishing charters are provided through smaller power boats which serve as both the accommodation facility and the vessel from which fishing is undertaken. Generally owner-operated, these vessels usually have only one to two staff and fishing destinations are determined by the range of the vessel itself. Per diem rates are significantly less than those charged by full service overnight fishing charters.

Exhibit 2.1: Product Features of the Marine Tourism Sectors, 1989

	Fishing						Coastal Experience				
	Lodges		Overnight Charters		Day Charters	Marinas	Power Cruising	Sail Cruising	Wildlife Viewing	Scuba Diving	Kayaking
	Full Service	Economy Service	Full Service	Economy Service							
No. Operators	60	20	10	20	300	165	70	50	50	20	15
Age: % < 5 years old	33	46	55	33	33	25	48	39	65	20	71
% Provide Accommodation	100	100	100	100	0	24	55	95	71	60	n/a
Average No. Beds	45	16	29	5	-	25	8	38	10	10	n/a
Boats (% provide)											
<20'	92	83	71	9	33	39	23	5	41	40	71
20-59'	54	66	14	91	79	25	71	100	71	80	57
60-100'	0	0	29	9	0	3	23	32	29	0	0
100' +	0	0	29	0	0	0	39	0	0	0	0
Pricing (average $)											
per day	n/a	n/a	n/a	n/a	220	90[a]	n/a[b]	n/a	110	83	55[a]
per night	360	265	360	225	n/a	n/a	n/a	205	160	100	137
Financial: Average per Operation											
Revenues ($000)	978	90	800	35	27	616	318	166	84	170	293
Wages & Salaries ($000)	255	30	180	15	9	123	94	38	34	55	53
Purchase Cost of Assets ($000)	1,647	185	1,290	110	61	1,159	608	430	38	115	240
Person-Years Employment (No.)	13.5	2.5	9.5	1.5	1.3	7.6	6.1	4.3	3.5	3.5	5.0

a Product priced by vessel.
b An overall average price not available as the pricing varied significantly by size of vessel. See Section 7.1 for details on pricing.

Source: Marine Tourism Operators Survey, 1989.

Day Charters

About 300 operators offer day fishing trips along the coast. These trips are characterized by a fishing guide operating one boat, usually less than 40' in length, providing average trips of four hours. Most operators are located in coastal urban centres as they rely on visitors to the community for their client base and/or the accommodation facilities and other services offered by the community. Some operators are affiliated with larger accommodation facilities such as coastal hotels or lodges and provide guiding services for the guests of the hotel. In some cases, groups of charter operators have formed an association through which customers can book fishing trips. For most operators, the business is part time and provides a secondary source of income.

Marinas

There are about 165 privately owned marinas located throughout British Columbia's coastline. The facilities vary significantly in size and type, ranging from those which sell only gasoline to larger, full service marinas with berthage for over 300 vessels. Most marinas provide both long term and short term moorage with some also offering bare boat or skippered charter packages for their clients. Offering an important service for both resident and non-resident owners, marinas are typically located in a coastal community. Marina clients include anglers, power or sail cruising travellers, scuba divers, local recreational boaters, and some also serve commercial fishing vessels.

Power Cruising

About 70 businesses offer a power cruising product in British Columbia's coastal waters, ranging from short (2-4 hour) harbour tours to day or overnight cruises along the coast. Vessels vary in length from smaller boats largely employed for short day trips to larger vessels in excess of 100' in length, used for either day trips serving a large number of passengers or overnight trips for a smaller number of passengers. The power cruising product offers clients opportunities for either bare boat or skippered charters. Most bare boat charter packages employ smaller boats (less than 50'). Skippered charters, usually larger vessels, follow a predetermined tour/route along the coast.

Sail Cruising

Bare boat or skippered sail cruising charters are offered by about 50 operators, with the majority providing overnight charters. Those businesses offering overnight skippered cruises tend to tour the entire B.C. coastline and beyond, picking up new groups of clients during specific "legs" of the cruise. Some operators, though, offer only sailing tours in a specific area such as the Gulf Islands.

Wildlife Viewing

About 50 operators offer wildlife tours, using either sail or power vessels. These operators are not included as part of the power or sail cruising sectors since wildlife viewing is the activity which generates the greatest revenue for their businesses. This group offers both day and overnight trips. Day trips are generally provided on larger vessels, most often based out of coastal communities such as Victoria, Nanaimo, Tofino, Campbell River and Port Hardy. While whale watching is the most popular tour, operators also offer sea lion tours and general wildlife viewing. The season and availability of concentrations of marine mammals or birds dictate timing and product mix. Most wildlife tours include some form of interpretation provided either by the skipper or guide, or, in some cases, by bird or mammal specialists who are employed as tour guides. The wildlife tour may also include a visit to sites of historic or cultural significance.

Scuba Diving

About 20 operators in British Columbia's coastal area offer scuba diving to either resident or non-resident certified divers. Specific packages include overnight, multi-day trips, from either a power vessel or a landbased facility, or single day trips. Businesses operating from a power vessel are able to offer scuba diving product from a variety of destinations along the coastline. Operators relying on landbased facilities either provide their own accommodation or operate in affiliation with local hotel/motels.

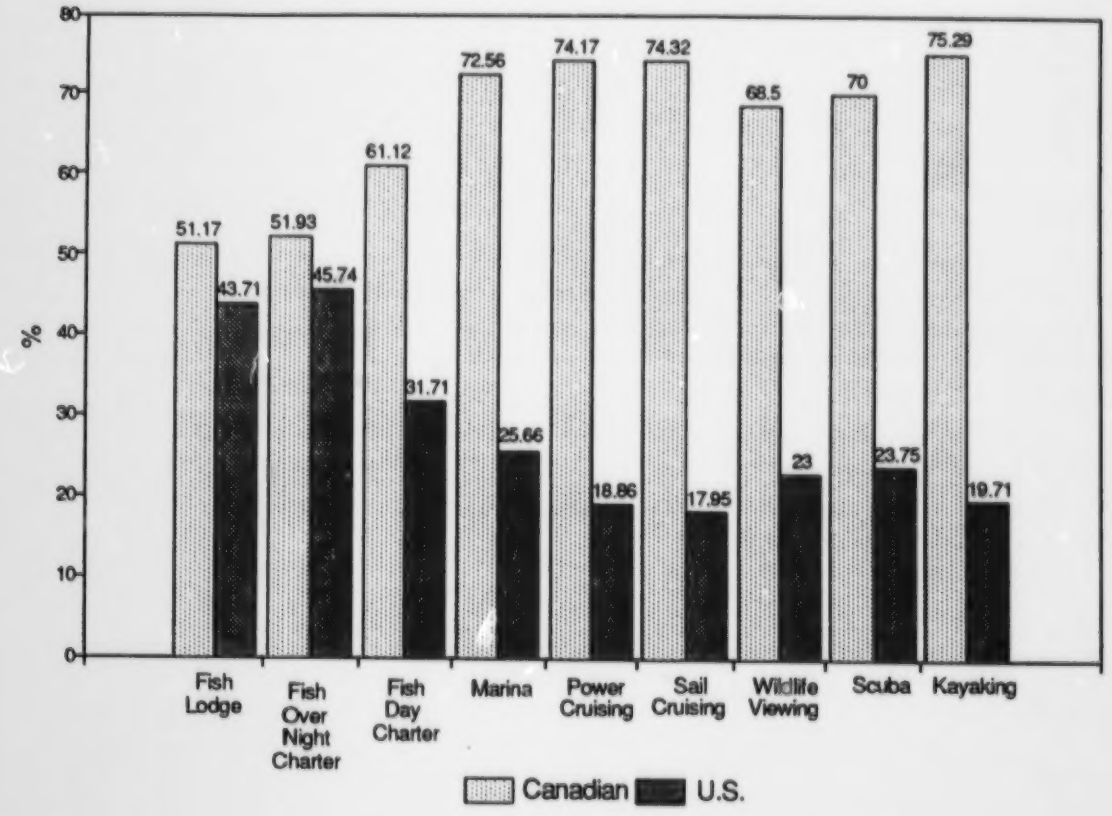
Kayaking

Kayaking is offered by about 15 businesses in the form of either kayak rentals to clients for day or overnight trips or guided, multi-day kayak tours. The majority of businesses offer guided kayak tours with the most popular destinations being the Gulf Island, Barkley Sound, Desolation Sound and the Queen Charlotte Islands. Many of the kayak tours are offered in a provincial or national park area. Most businesses are based in Vancouver or Victoria, relying on staging areas during the season. Clients are typically flown in by scheduled or chartered flight to these areas to commence their tour. The tour itself usually involves exploration of remote areas by kayak with overnight camping onshore. Given the logistics related to client transportation to the kayaking site, most staging areas are reasonably accessible to airports.

2.2 Market Profile and Marketing Efforts

The marine tourism industry primarily serves a Canadian market, as illustrated in Exhibit 2.2. In particular, those operators offering a general marine experience derive the majority of their revenues from Canadian markets (ranging from 68 to 75% in any given sector). Sportfishing related operators, on the other hand, rely more heavily on U.S. markets, particularly in the case of fishing lodges and sportfishing overnight charters. Operators in these two sectors derive only slightly more than one-half of their customers from Canada. Operators offering day charters for sportfishing are less reliant on U.S. markets, with 61% of their customers originating from

Exhibit 2.2: Origin of Marine Tourism Markets



Source: Survey of Marine Tourism Operators, 1989.

Canadian origins. Finally, marinas exhibit a similar market profile to those operators classified as the general marine experience with about 73% of their markets originating in Canada.

Market demographics vary significantly between the two general groups of marine tourism operators in terms of party composition. Full service sportfishing lodges and overnight charters each attract 43% of their market from corporate groups. Other sportfishing sectors also attract significant proportions of corporate clients, ranging from 10% for economy service sportfishing lodges to 23% for economy service overnight charters. Coastal experience operators on the other hand attract less than 10% of their business from the corporate market, with the single exception of power cruising. These operators attract a sizeable 39% of their market from corporate groups. The largest markets for coastal experience operators are couples and families; about 50% or greater of market share. The only departure from this pattern is in the scuba diving sector where singles comprise about 74% of the market.

Marine tourism operators largely cater to older clientele. In all sectors but kayaking, customers for the most part exceed 35 years of age. In the case of kayaking, the majority of their market (53%) is drawn from a client base which is less than 35 years of age.

A profile of marketing expenditures made by marine tourism industry sectors is provided in Exhibit 2.3. As a percentage of revenue, most sectors generally allocate expenditures for marketing consistent with overall tourism industry performance (about 5-7%). Marinas spend the least on marketing as a proportion of their revenues (2%) and economy overnight charters allocate the greatest amount of their revenues to marketing (14%). In absolute terms, full service sportfishing lodges and overnight charters spend the greatest amount of money on marketing (an average of $72,000 and $90,000 per operation respectively). A total of almost $10 million was spent on marketing by operators in 1989, of which about 75% represented expenditures by sportfishing related operators.

Exhibit 2.3: Marketing Expenditures, 1989

	1989 Marketing Expenditures		
	% Revenue	Average $ per Operation	Total per Sector $000
Sportfishing Related			
Lodges			
Full Service	7	71,700	4,300
Economy	5	5,000	100
Overnight Charters			
Full Service	11	90,000	900
Economy	14	5,000	100
Day Fishing Charters	6	1,700	500
Marinas	2	9,700	1,600
Total Fishing Related Expenditures			**7,500**
Coastal Experience			
Power Cruising	5	15,000	1,100
Sail Cruising	6	10,000	500
Wildlife Viewing	5	8,000	400
Scuba Diving	6	10,000	200
Kayaking	5	13,300	200
Total Coastal Experience Expenditures			**2,400**
Total Marketing Dollars Spent in 1989			**9,900**

Source: Marine Tourism Operators Survey, 1989.

2.3 Economic Profile

The marine tourism industry generated an estimated $222 million in annual revenues in 1989. These are the revenues reported by industry operators in each of the sectors defined in Section 2.1 above and are summarized in Exhibit 2.4. About $179 million is generated by fishing related operators and about $43 million by those operators offering a general marine experience such as power and sail cruising. Total investment in the capital base which has been made to date (1989) by these operators amounted to about $409 million.

Marine tourism operators generated an estimated 3,600 jobs (defined as person years of employment) of which about three-quarters were generated by sportfishing-related operators, and 35% were generated by marinas alone.

The economic profile of the marine tourism industry summarized in Exhibit 2.4 shows that sportfishing-related operators contribute about 80% of all industry revenues. These findings definitively show that sportfishing is the "economic engine" of the marine tourism industry. Evidence supporting this conclusion is as follows:

- findings from the user survey show that the primary motivations for marina users were the sportfishing experience (61% of users)
- marinas depend for the majority of their revenues on clientele motivated by sportfishing opportunities
- the marina and other sportfishing infrastructure (e.g., lodges) constructed to respond to sportfishing demand, also provide facilities for other marine tourism segments such as power and sail cruising
- of marine tourism segments other than fishing-related operators, about $34.8 million in annual revenues of the $42.6 million generated by these operators depends on a network of marina facilities for their business.

The strength of the sportfishing component of the marine tourism industry is also illustrated by the average revenue per operator generated in each of the two general classifications used in this study:

- fishing-related - $311,000 per operator in annual revenues
- general marine experience - $208,000 per operator in annual average revenues.

Notwithstanding the strength of the sportfishing related operators, those offering a coastal marine experience constitute a significant component of the marine tourism industry in their own right. Generating about $43 million in annual revenues, this group offers more employment per dollar of revenue and provides an important supplementary source of income for such facilities as marinas located throughout the coast. The findings (Exhibit 2.5) also reveal that the majority of revenues generated by operators offering a general marine experience are made by power and sail cruising sectors, which together account for about 70% of operator revenues. Scuba diving, wildlife viewing, and kayaking are much smaller sectors, offering specialized vacation packages. In the case of wildlife viewing, operators generate revenues here for the most part through one day or less packages purchased by tourism consumers whose primary motivation is not necessarily a British Columbia coastal experience.

Exhibit 2.4: Direct Impacts of Marine Tourism Operations

	No. Operators	Revenues	Income[a] ($ million)	Wages & Salaries[b]	Investment[c]	Employment[d]
Sportfishing Related						
Lodges						
Full Service	60	58.7	29.8	15.3	98.8	810
Economy	20	1.8	1.1	0.6	3.7	50
Subtotal	80	60.5	30.9	15.9	102.5	860
Overnight Charters						
Full Service	10	8.0	3.4	1.8	12.9	95
Economy Service	20	0.7	0.4	0.3	2.2	30
Subtotal	30	8.7	3.8	2.1	15.1	125
Day Charters	300	8.2	5.0	2.9	18.3	390
Marinas	165	101.7	81.4	20.4	191.3	1250
Total Fishing Related	**575**	**179.1**	**121.1**	**41.3**	**327.2**	**2625**
Coastal Experience						
Power Cruising	70	22.3	9.6	6.6	42.6	430
Sail Cruising	50	8.3	4.8	1.9	21.5	215
Wildlife Viewing	50	4.2	2.2	1.7	11.9	175
Scuba Diving	20	3.4	2.7	1.1	2.3	70
Kayaking	15	4.4	2.6	0.8	3.6	75
Total Coastal Related	**205**	**42.6**	**21.9**	**12.1**	**81.9**	**965**
Grand Total	**780**	**221.7**	**143.0**	**53.4**	**409.1**	**3590**

a Income or value-added is the sum of wages and salaries plus business income (business income or capital surplus comprises interest payments, depreciation, taxes and after-tax profits)
b Included in income
c Original or purchase cost of all investment to date.
d Person-years.

Source: Extrapolated to total industry from 1989 Marine Tourism Survey

Economic Impacts

The estimated 1989 economic impacts (Exhibit 2.5) from the marine tourism ***industry*** (i.e., operators) is an estimated $247 million in income or value-added and 5,995 person-years of employment, comprising:

- direct impacts in terms of revenue and employment
- impacts from ripple effects on suppliers (indirect impacts)
- impacts from the respending of wage incomes in consumer industries (induced impacts).

Exhibit 2.5: Marine Tourism Economic Findings, 1989

Marine Tourism Operators	Revenue ($ million)	Income ($ million)	Employment (person-years)
Direct Impacts			
Sportfishing Related	179	121	2,625
Coastal Marine Experience	43	22	965
Total	**222**	**143**	**3590**
Total Impacts[a]			
Sportfishing Related	na	198	4,415
Coastal Marine Experience	na	49	1,580
Total	**na**	**247**	**5,995**

a Direct, indirect supplier plus induced consumer spending impacts, i.e., direct impacts induced.

Source: Extrapolated to total industry from 1989 Marine Tourism Survey

2.4 Marine Related Activities and Services

There are a number of activities and services which many tourism observers would include in a discussion on marine tourism in British Columbia. They range from marine attractions to recreational boating. For the most part, these activities and services are distinguished from the marine tourism industry which is the focus of this report by the fact that their product or service does not directly utilize the coastal resources in British Columbia as do marine tourism operators (i.e., they constitute attractions or services which marine tourism operators may use as part of their product package or they are coastal community based attractions or events). A description of these activities has been included in this report primarily to illustrate the scope and extent of activities related to the marine environment.

The range of activities and services include:

- marine related attractions and events
- yacht clubs and boating schools
- air charter services
- marine trades
- small craft harbours
- marine parks
- recreational boating
- coastal accommodation.

These activities and services are managed by both private and public sector groups and organizations. Some of these are run for profit and others are non-profit.

As part of this study, existing literature (where available) was reviewed to describe the activities and services. Where no information was available, surveys were conducted. It was possible to estimate revenues for some of these activities and services (Exhibit 2.6). Of these, coastal accommodation generated 65% of estimated revenues, followed by air charters at 15%.

Economic impacts from related activities, events, and services are an estimated $150 million based on direct revenues of $109 million. While not all of these can be ascribed strictly to marine tourism, these related economic impacts do serve to indicate the scope of marine tourism.

2.5 Industry Constraints

The marine tourism industry depends on effective packaging of British Columbia's coastal resources in the form of experiences which appeal to the marketplace. The continued viability of marine tourism businesses depends on maintenance of the quality of this resource base, and of a financial and operating environment within which they can operate successfully.

Resource Dependency

All sectors in the marine tourism industry sell an experience which is dependent, to a greater or lesser extent, on the coastal resources of the province. From the perspective of the industry as a whole, the most important resources by a significant margin were fish and scenic coastline areas. The majority of marine tourism operators across all sectors identified these two resource attributes above all others.

Exhibit 2.6: Expenditures from Marine Related Activities and Services

Expenditure Area	1989 Revenue ($ millions)	1989 Employment (person-years)
Oceanfront Accommodation		
- Rooms	47.0	na
- Food, Beverage & Other	24.0	na
Subtotal	71.0	1400[a]
Small Craft Harbours		
- Moorage	1.7	85
Air Charters	16.0	180
Boating Schools	6.2	120
Yacht Clubs	5.0	95
Marine Attractions	9.3	285
Total	109.2	2165

a Wages and salaries estimated at 30% of revenue, $15,000 per person-year employment (based on hotels at 15-75 rooms). Steveston Kellogg Ernst & Whinney, The B.C. Hotel Industry Study, Report Prepared for the Province of British Columbia and British Columbia and Yukon Hotels Association, April 1989, p.105.

Source: Survey of Marine Tourism in Related Business and Organizations, 1989.

Resource	% Respondents (All Sectors)
Fish	82
Scenic	71
Marine Mammals	42
Anchorage	39
Beaches	35
Marine Birds	33
Coastal Parks	32
Fjords	30
Subtidal	24
Historic	23
Native	21

Marine wildlife (mammals and birds) and coastal features (the availability of good anchorage, beaches and coastal parks and fjords) were next most important from a marine tourism product perspective. Least important were subtidal resources (largely of interest to the scuba sector) and historic and native attractions.

Resource Base Concerns

As part of the operator survey, operators were asked what they considered to be the three most serious problems regarding "...the natural resources, land base or wildlife/fish stock". Concerns with the fishery dominated operator responses with 23% mentioning the commercial fishery and 19% mentioning fish stocks as the most serious resource problems (Exhibit 2.7). Pollution, logging and general concerns related to government resource management practice ranked third, fourth and fifth respectively as the most serious resource problems identified by marine tourism operators.

Exhibit 2.7: Top Resource Problems

Problem Area	% Respondents		
	Most Serious	Second Most Serious	Third Most Serious
Commercial Fishing	23	9	7
Fish Stocks	19	16	11
Pollution	17	20	27
Logging	15	10	13
Resource Management	10	13	7

Source: Marine Tourism Operators Survey, 1989.

The top five problem areas described above were also consistently mentioned most frequently as the second and third most serious problem areas related to the resource base faced by marine tourism operators. Concerns related to pollution were surprisingly most frequently mentioned as both the second and third most serious problems.

From this overall viewpoint, it is clear that these five resource issues are the priorities from the perspective of marine tourism operators and thus constitute those which should be tackled first in considering any initiatives for the industry.

Business Growth

Operators from all nine marine tourism sectors were confident that their business would grow in 1990 (87% of all operators). Eighty-five percent (85%) of the sportfishing related operators stated that they anticipated their business would grow in 1990. For the coastal experience related operators the confidence in growth was even higher; 89% of the operators.

The operators were also very interested in expanding their business in 1990 (79% of all operators). Three-quarters of the sportfishing related operators stated that they wanted to expand their business. Again, the response was greater for the coastal experience operators; 88% of the operators. In general 38% stated that they propose to expand their business through increased/improved promotion. For the overnight and day charter operators the intent to increase promotion was higher (greater than 50% of respondents). Promotion was followed by the desire to increase waterbased facilities or services; 36% of all operators. Just over half of the marina and wildlife viewing operators were planning on expanding waterbased facilities. The third option for expanding identified by the operators was expanding landbased facilities; 17% of all operators. Those businesses which have a major component of their business on land were more interested in expanding their landbased facilities (full service lodges 56% and marinas 33%).

Constraints to Business Growth

The development of product and market initiatives for the marine tourism industry also depends on a full understanding of the perceptions of operators concerning constraints to business growth in the future. Operator responses to questions about the three most serious constraints for their future business prospects show a heavy emphasis on finance related concerns (that is, financing, the general state of the economy, the cost of business operation and taxes). Finance related concerns exceeded all others by a significant margin based on the percentage of operators who identified these as most serious. Summarizing the constraint factors identified by the operators, one sees that from a business perspective, finance-related and operational concerns assumed much more importance than the public sector regulatory environment.

Requirements to Reduce Business Constraints

Operators had a wide range of suggestions for reducing the constraints to business growth. These suggestions covered all aspects of the business operations including financing, marketing, sector recognition, industry organization, government regulations, and resource management. The suggestions were also very specific for each of the marine tourism sectors. These suggestions in concert with both the resource and business constraints were used to develop the initiatives described in the following section.

3.0 Industry Initiatives

The marine tourism industry generates an estimated $220 million annually in revenues. This level of economic activity provides a strong incentive to the public sector to help ensure that the industry thrives and prospers.

The industry faces significant challenges in the future, not the least of which is what industry operators perceive as gradual degradation of the resource base on which their products are dependent. At the same time, the industry has been growing rapidly (e.g., 39% of marine tourism businesses have been in operation only in the last five years) and there is no evidence to expect that continued growth will not take place, particularly given:

- worldwide trends toward specialized vacations oriented to internationally competitive tourism products
- a strong interest in the Pacific Coast on the part of the U.S. market (ranked as the #1 destination of preference in a recent U.S. travel survey)[1]
- the fact that the industry has reached its current levels without any focused efforts on the part of the public sector to support their activities
- the intent by the majority of operators (79%) to expand their businesses.

The need to carefully manage the industry's resource base, the significance of the industry to the provincial economy, and the future economic potential are at the heart of the motivation to establish a comprehensive set of initiatives to guide government-industry relations and provide support to the industry's own efforts for growth. ***The initiatives are structured in three general parts; those which are common to all sectors of the marine tourism industry, and those specific to operators, offering either sportfishing-related or coastal marine experiences.***

The initiatives are put forward as ***Recommendations for Consideration*** to the Ministry of Tourism. They are based on an assessment of the opportunities and constraints facing the marine tourism industry, as seen by operators and as revealed through industry product, market and economic profiles presented previously. It is recognized that the Ministry does not have unlimited resources for industry support. In putting forward these initiatives, the emphasis is on a facilitating role, providing coordinating services and helping industry to access either internal Ministry programs (e.g. marketing) or the programs of other ministries and levels of government.

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[1] Longwoods International Inc. 1990 Longwoods Travel USA. Report prepared for Industry, Science and Technology Canada - Tourism, Ottawa.

1. Industry-wide Initiatives

Industry Recognition

A commitment to work with industry is always preceded by acknowledgement or recognition of industry's contribution and importance to the economic future of the jurisdiction in question. As one of the province's leading resource-based tourism industry groups, it behooves the public sector, under the leadership of the Ministry of Tourism, to establish a stronger, more productive working relationship with this industry and, inasmuch as possible, a more positive operating and investment environment.

1.1 Establish the marine tourism industry as a priority industry for attention in the day-to-day activities of the Ministry of Tourism.

1.2 Under the leadership of the Ministry of Tourism, promote recognition of the industry to other provincial ministries and to federal agencies whose activities influence the future of marine tourism industry operators.

More than any other industry group within the overall tourism sector, marine tourism operators must deal with not only local and provincial agencies but also federal agencies ranging from Fisheries Managers to the Coast Guard. It is not enough that the Ministry of Tourism itself recognize this industry. It is also essential that other agencies and levels of government place some emphasis on responding to the issues and concerns of industry operators and working with the industry toward their resolution.

Sound and credible economic information is one of the foundations for achieving industry recognition. Therefore, as the first comprehensive profile of the marine tourism industry in British Columbia, this report should be distributed widely to all public sector agencies with a direct mandate for, and interest in, marine tourism activity.

Industry Organization

1.3 Work with the marine tourism industry to establish and/or strengthen industry organizations. In so doing, consider encouraging industry to organize into two associations, one involving sportfishing related operators and the second involving those operators offering a general coastal experience.

The public sector can be much more effective in working relationships with industry if they are able to deal with a representative industry organization rather than with individual operators or groups of operators. Neither the sportfishing related or coastal experience operators are well organized and perceived to be coherent industry organizations at this time. To be sure, there are examples of industry efforts in either area to work with government on specific issues such as sportfishing allocations or Coast Guard or safety regulations. While these are important first steps, it is essential that industry strengthen its organizations given the nature of the issues which it faces. The suggestion that two industry groups be established reflects the significant

differences between the sportfishing related operators and the coastal experience operators in terms of the nature of the issues, the general industry structure, and the markets.

Resource Management

Resource management issues dominated operators' concerns with respect to the continuing viability of their businesses. On the whole, industry feels threatened by what they perceive to be a gradual but clear degradation of the resource base on which they depend. Given the contribution of this industry to the province's tourism economy, it is critical that resource issues facing the industry be addressed in a coherent and organized fashion. This includes not only establishing a tourism perspective on the important characteristics of the resource base so that the public sector can respond more effectively, but also more formal mechanisms to address current and future issues. The initiatives presented below reflect the common concerns of all sectors. In addition, there are specific concerns related to each group (e.g., habitat enhancement for the sportfishing group and preservation of remote wilderness areas for the coastal experience group) which are addressed in initiatives specific to them. (See Sections 2 and 3 later in this section).

There is a strong relationship between resource management and product development initiatives described below. Given that industry depends strongly on a sustainable resource base which it packages as part of its product, the two areas should be considered in tandem.

1.4 Assist and work with industry in establishing a coastal tourism plan which clearly sets out objectives for resource use, management, and protection from a tourism perspective.

The Ministry of Tourism, under the leadership of its Sustainable Development Branch, has embarked on development of a coastal tourism resource inventory. Working with industry, this inventory is aimed at documenting the important tourism resources throughout British Columbia's coastal areas. As such, it can serve several purposes:

- the basis for development of a coastal tourism plan
- a position statement on tourism's perspective for other ministries mandated with some aspect of resource management in coastal areas
- valuable information for the marine tourism industry in considering growth and/or new product development.

It is important that industry support and encourage the Ministry of Tourism in these efforts. Some of the initiatives identified for both sportfishing related and coastal experience operators compliment this initiative to the extent that they call for industry input to assist the Ministry of Tourism.

1.5 Consider options for a resource management information referral service for industry.

One of the major problems facing the marine tourism industry is the sheer range and number of agencies whose decisions can affect the delivery of their product. In the course of the operator survey, industry participants expressed considerable concern about the general degradation of the resource base, be it in terms of lower fish stocks or loss of wilderness area. The industry would be much better able to respond to pending resource management decisions if there was a central source of information distributed through industry organizations.

The Ministry of Tourism has initiated a study of the need for a province-wide tourism resource council. A resource management information referral service might well be one of the programs which such a tourism resource council could effectively undertake on behalf of its industry association members. Therefore it is suggested that the Ministry of Tourism consider this initiative as part of that study. In practical terms, an information referral service would involve monitoring government agencies to identify information on upcoming resource related decisions, new studies, and/or programs which they could in turn summarize and pass onto industry operators.

Product Development

1.6 Work with industry on quality control issues related to the marine tourism industry product.

There are various aspects of the coastal marine product which together comprise the quality experience which is being marketed:

- the facilities
- services offered by the operators
- the resource base itself (e.g., the availability of fish, scenic values, access to natural attractions, etc)
- the degree of "remoteness" or sense of wilderness experience (i.e., many operators have raised concerns about the degree of overcrowding in popular fishing areas).

Many of these product quality issues are inextricably linked with the capacity of the resource base to sustain tourism activity. For example, some observers suggest that certain areas of the coast have seen lodge development to the point where the fish stocks cannot accommodate any further sportfishing lodge development. In the day fishing charter area, operators have pointed to the moonlighting problem as one which affects the reputation of the whole industry given that the quality of service by moonlighters may not be up to the standards of professional guides. Coastal cruising operators point to degradation of the wilderness experience because of over crowding, pollution and logging.

These are difficult issues for the industry. Some argue that market mechanisms will sort out these issues. Others argue that some measure of public sector intervention is important to support the long term viability of the industry, particularly in the area of resource matters. Given the complexity of many of these issues, and the sensitivity of the resource base to continue development, it is paramount that government initiate discussions with industry on these product quality issues and establish a process for resolution. Reliance solely on market mechanisms is not recommended without a thorough discussion between industry and government concerning the implications of this approach. In some cases, while one is waiting for market mechanisms to work, the resource base may be degraded to the point where several years may be required for recovery. This is not in the interest of either industry or the public sector.

Quality issues are evident for both sportfishing and coastal experience operators. Some of the areas suggested and worth considering by operators in partnership with government include:

- limits on number of lodges where fish stocks are unlikely to be able to accommodate additional development while still maintaining the quality of the sportfishing experience.

- standards or licensing systems for day charter sportfishing guides.

- industry-wide standards of practice for coastal experience operators.

- training programmes to assist industry to increase professionalism in delivering the marine product.

- designation of areas of superb "wilderness experience" value for protection.

Raised by operators themselves, all relate to the quality of the British Columbia marine tourism product and need attention in light of the strong product and resource management concerns expressed by industry operators.

1.7 Investigate the potential for a more streamlined referral and approval process on the part of government specifically related to the regulatory environment which operators face.

In the day-to-day operating environment of a marine tourism business, owners/managers face an almost bewildering array of regulations, government policies, by-laws, operating procedures, and taxes, all of which have served to raise the frustration level of industry participants. While there can be no substitute for the various permitting and regulatory approvals necessary to ensure the public interest, some streamlining is certainly warranted and probably possible if the public sector is committed to it. This issue is particularly important to marinas and sportfishing lodges given that they both utilize landbased and waterbased facilities. Thus they must deal with both marine related and land development regulations. Other sectors also face a complex regulatory environment; e.g. power and sail cruising operators must deal with the coast guard, liquor board, and other agencies as part of their normal operating season.

There are several existing mechanisms for reviewing the regulatory environment facing operators and refining it to balance public interest and private sector objectives. A recent example is the charter boat industry efforts to assist the federal government in establishing Coast Guard regulations for the charter boat industry. *These mechanisms have positive features which should first be examined to determine if they are sufficient for private sector/government interaction.* It may be that, with some refinement, existing referral systems can be used. Other options worth investigation are:

- an inter-agency referral process for operator applications specific to the industry
- an inter-agency committee structure which would facilitate application processing
- a "lead" agency approach where operators would primarily deal with one agency and the agency would assume responsibility for assisting operators through approval processes.

Both the federal and provincial governments are involved in some way with the marine tourism industry in this area and it is suggested that the Ministry of Tourism initiate discussions with appropriate agencies in both levels of government to address the need for more streamlining. This could take the form of a start-up meeting with industry groups to review issues areas identified as part of this report, the advantages and disadvantages of existing referral mechanisms, and establishing a course of action for facilitating industry/government interaction on these issues.

1.8 Assist the industry in working with employment related agencies to provide training assistance.

Many operators identified the absence of trained personnel as an important constraint which must be addressed if they are to consider expansion. Concerns here ranged from the difficulty in finding staff to the need for better trained staff. In addition, some operators noted that they experienced difficulties in securing lodging for staff in some communities. While the latter problem cannot be solved easily, recognition by employment agencies including the provincial Ministry of Social Services and Employment and Immigration Canada of this industry's needs could provide a starting point for joint government/industry program development in the personnel area. In addition, the potential for collaboration with the Pacific Rim Institute of Tourism (PRIT) should also be examined. The Ministry of Tourism, in association with PRIT and the tourism sector associations, is investigating the development of training programs oriented specifically to resource-based tourism operators. It is therefore useful for the industry to initiate contact with PRIT with a view to developing program materials specific to the needs of their industry.

Marketing and Market Research

1.9 Work in partnership with industry to develop marketing approaches which raise the profile of marine tourism opportunities in British Columbia generally, strengthen marketing effectiveness, and provide industry specific marketing tools (e.g., fulfilment packages) through the Ministry of Tourism's marketing channels.

Operators in all sectors of the marine tourism industry were unanimous in desiring a stronger partnership with the Ministry of Tourism on the marketing front. While larger operations (e.g., full service sportfishing lodges) exhibit considerable sophistication in marketing, most of the smaller operations in the marine tourism industry perceive that more specific marketing oriented to their product will yield returns.

1.10 Consider undertaking a follow-up analysis of the needs, expectations, and characteristics of the recreational boating market.

There is a substantial recreational boating market in British Columbia's coastal areas, many of which are visitors from the U.S. Both resident and non-resident boaters provide a valuable source of revenue for marine tourism operators and generate expenditures throughout the coastal areas which they visit. Their needs and expectations are not fully understood and were not captured in any detail as part of this study. Nevertheless, recreational boaters who cruise British Columbia's coastal areas are a marine tourism market which could offer growth potential. Based on the research undertaken for this study, it appears that there is little in the way of formal or focused marketing efforts toward this market segment. Such an analyses could help both industry and the province to better target their marketing efforts in this area.

2.0 Sportfishing Related Initiatives

Product Development

For the most part, sportfishing related operators provided a well developed and successful product. Their concerns generally related to the future of the resource base on which they depend and general government relations. There are, however, some specific product initiatives which should be considered to strengthen the industry.

2.1 Work with the industry to provide workshops on financing and business planning for smaller operators.

Several operators, particularly those offering economy sportfishing overnight charters and day fishing charters, identified the need for help with financing and other business assistance programs to improve their operations. Many of these operators are owner/managers without the resources to fully explore or deal with financing issues. Therefore, workshops to expose these operators to the full range of funding and business assistance programs available and help them consider options specific to their operations will be of assistance. The Ministry already has a well developed set of information materials on tourism development planning and financing,

which with some minor adjustment specific to this industry, could serve as useful support material.

2.2 Work with industry and the financial community to encourage more attractive financing packages for the marine tourism industry.

Operators from all sectors of the sportfishing group identified access to lower cost financing as a key constraint for their business growth. This is not atypical; tourism operators in virtually all other resource-based product areas in the province have identified similar concerns. In this instance, some of the smaller operators, particularly those offering day fishing charters, have noted that they pay a premium for capital financing which makes it difficult to not only maintain a viable business but also to consider expansion. Continued education efforts under the leadership of the Ministry of Tourism and directed toward financial institutions is appropriate and desirable.

2.3 Review facility development needs with the industry and provide coordination and support to help industry address those needs with appropriate government agencies.

Marina operators in particular, and to a lesser extent day charter and economy fishing charter operators, identified a need for facility development in the following areas:

- more government assistance with large capital expenditures for such infrastructure items as breakwaters and related dredging
- a more positive municipal government environment for commercial marina development
- a water lease management regime which is more conducive to marina development
- the release of more government land for private leaseholders.

Individual operators seeking to encourage a better climate for development and/or more government involvement in infrastructure are not as likely to be effective as an approach involving the entire industry. The key here is to set the process in motion which first involves an acknowledgement and second a review of industry needs to determine what actions government can take to provide more support to industry.

2.3.1 Coordinate the efforts involved in assembling facility development needs with identification of high tourism value site potential throughout British Columbia's coastal areas. Ensure that this information is incorporated as part of the planning process for preparation of the coastal tourism plan as set out in Initiative 1.4 previously.

Many of the land-based operators expressed concern that municipal, local, and regional government levels did not fully understand the benefits of the marine tourism industry. Some of these operators noted that they experienced considerable difficulty securing zoning approvals, particularly in rural or remote areas. This is not surprising, particularly in unincorporated areas for which there is no planning concept or plan. Jurisdictions sometimes tend in these cases to rely on the status quo. One of the major steps which can be taken to overcome prohibitive zoning and development regulations is the preparation of the coastal tourism policy/plan suggested in Initiative 1.4 above. If prepared as an overall statement of high value tourism areas along the coast where special consideration should be given for tourism development potential, it can provide not only a policy framework for the province in managing provincial landbased responsibilities, but also a tool for use by local governments in their own planning.

In addition to this approach, there is a need for more effort at profiling the benefits of marine tourism to the provincial economy and encouraging local governments to work with marine tourism operators to achieve acceptable development which provides economic and employment benefits.

Market Development

Sportfishing related operators generally see a greater involvement by the Ministry of Tourism in their marketing efforts as an important element in industry growth and expansion plans. The range of marketing expertise and effectiveness across all sportfishing related sectors varies widely from the larger sportfishing lodges which place great priority and emphasis on marketing to smaller operators who are unable to apply the same absolute level of dollars to marketing and generally believe more help would be beneficial.

2.4 Meet with industry to review their specific needs against the province's current collaborative marketing efforts related to sportfishing. As part of this initiation, consider development of a marketing strategy for all sectors offering tidal sportfishing product.

While many industry operators participate in marketing programs supported by the province (e.g., Partners in Tourism, Saltwater Sportfishing Guide), they also believe marketing efforts on an industry-wide basis specifically oriented to their product area would supplement their own efforts and attract more customers.

2.5 Work with industry to establish marketing workshops for the industry, particularly targeted to smaller operators.

In other sectors, such workshops have been extremely well received by operators. Some of the material assembled for this report could provide the basis for workshop material, containing as it does industry and sector averages for such areas as market origin, marketing tools, and user perspectives.

Institutional Environment and Resource Management

More than any other area, resource management emerged as the primary concern of sportfishing related operators. Issues ranged from habitat degradation to the fishery closure announcement of DFO. The general tone of operator response to survey questions related to resource constraints show that they believe that they are not recognized by the federal government as a sector which makes an important economic contribution. Some parts of the industry are already devoting substantial time and resources to strengthening the Sportfishing Institute, part of whose mandate is to address resource management issues on their behalf with government. Notwithstanding these efforts, there is more that can be done and, in fact, the most important initiatives in this regard relate not to specific resource management actions but rather to efforts to establish a responsive industry/government working relationship. Once that is in place, then the full resource management issue agenda can be addressed.

2.6 The Ministry of Tourism should encourage sportfishing related operators to form a strong industry association comprising lodges, charter, and marina operators.

While it is recognized that the Sportfishing Institute is intended to serve as a "voice" for sportfishing concerns generally and for tourism operators offering this product, that still does not negate the significant value that a strong operator association offers in working with government. In fact, such an association would also address such areas as:

- product development initiatives
- marketing initiatives
- relationships with coastal communities
- industry profile and recognition initiatives amongst all levels of government.

Indeed, the greater the recognition of the sportfishing related tourism industry, the greater the likely resolve on the part of government to work with industry in addressing their key area of concern -- resource management.

2.7 Encourage the industry to prepare a full description of the resource management agenda for their organization (Initiative 2.6 above). Based on the results of this study, it is suggested that the resource management agenda for the industry should include the various issues raised by operators related to:

- **fish stocks**
- **fisheries allocations**
- **DFO closure announcement practise**
- **habitat protection and enhancement**
- **land use impacts on fishery habitat (e.g., habitat, pollution).**

This agenda list is not intended to pre-empt current efforts of the industry through the Sportfishing Institute initiative. Rather, it simply reflects, in a reporting fashion, the key concerns raised by operators.

2.8 Encourage the industry to work with other organizations such as coastal experience operators, coastal accommodation facilities, and others concerned with the management of the province's coastal resources.

Many of the resource management concerns of this operator group are also shared by other participants in the overall tourism industry. By working together on their common concerns, the "voice" of the marine tourism industry can be much better coordinated and likely yield more affective results.

3. Coastal Experience Initiatives

Product Development

The profile of coastal experience sectors reveal that these operators, for the most part, are relatively new to the tourism industry with 50% having established their business in the last five years. They reported more concerns with their operating environment than did operators in the sportfishing area, generally a reflection of lower average revenues and margins. At the same time, they were equally concerned with issues related to the resource base although the emphasis here was on such issues as degradation of scenic values and pollution.

In general, the product offered by coastal experience operators is well focused and, based on user feedback, appears to be well matched to consumer expectations. The major concerns for operators are financing, the operating environment, and marketing. This is not unexpected given the generally low average revenues per operation as compared to sportfishing operators and given the high incremental costs (i.e., the purchase of additional boats) for expansion.

3.1 Provide workshops to coastal experience operators on financing approaches and business plan preparation, the purpose of which is to increase their access to and success rate with both bank financing and funding through government programs for which they may be eligible.

The format for these workshops is expected to be similar to those proposed for the sportfishing sector (Initiative 2.1). In this case however, financing and business planning workshops should place more emphasis on issues related to operating costs, and factors and strategies to manage costs.

3.2 Work with the industry to identify areas for support in addressing operating costs and competitive environment issues. These include concerns with the Jones Act, guidelines on vessel construction requirements, the charter operation application process, fuel costs, and other issues as may be raised by operators.

Some portions of the industry are already addressing these issues with some success. It would appear that the Ministry of Tourism could provide additional support through facilitating meetings, coordination, and information provision to the industry to assist them in their efforts to address operating environment areas. In addition, the competitive environment is of concern

to these operators, particularly with regard to the Jones Act. More attention by both the provincial and federal governments on this issue will help the industry in its efforts to compete with U.S. charter operations on an even playing field. Implementation of this initiative, together with recommendations concerning stronger industry organization development (Initiative 3.7 below) will go a long way toward strengthening the industry and stabilizing their operating environment.

3.3 Work in consultation with the industry to identify resources which have a high priority for incorporation as part of their product mix. Incorporate the results of this consultation into the process for preparing the coastal tourism plan (Initiative 1.4).

Although related to concerns about resource management, several industry operators have identified the need for more pro-active government action in such areas as setting aside areas for preservation, implementation of a wider network of marine parks, and the like. The motivation here is to ensure that the product which these operators are offering is protected and retains its tourism values. At the present time, some portions of the industry are working with the Ministry of Tourism on the preparation of a Coastal Tourism Resource Inventory. This program of the Ministry is clearly consistent with operator desires for product protection and interaction with industry should be strengthened wherever possible as part of this process. At the same time, there may be specific areas where immediate action can be taken to attempt to protect high priority tourism resource areas. A series of exploratory workshops with industry operators is suggested as an appropriate approach to identifying their concerns and possible strategies for interagency communication.

3.4 Work with industry to identify their concerns with facility development requirements to support their product.

Like some of the smaller sportfishing related operators, operators offering coastal experiences have also identified shortfalls related to the availability of marina facilities and/or reservation space for charter operators at existing marinas as a constraint to their growth. It is suggested that facility development assessments should be undertaken with coastal experience operators in addition to those recommended for sportfishing related operators to develop a specific set of recommendations for consideration by appropriate government agencies. The Ministry of Tourism could play a facilitating role in this regard. This material should also be incorporated as part of the coastal tourism planning effort (Initiative 1.4).

Market Development

Coastal experience operators expressed significantly more concern with marketing as a constraint to business growth than did sportfishing related operators. Given the relatively uncoordinated and unfocused marketing which this industry now undertakes, one can expect significant returns in the form of increased business and revenues from a more effective marketing program.

3.5 Work with the industry to develop a comprehensive marketing strategy and, in so doing, give particular consideration to:

- **general awareness programs concerning British Columbia's coastal tourism opportunities**
- **the preparation of a coastal experience "guide", either separately or as a distinct component of the Adventure Guide now produced by the Ministry or Tourism**
- **referral service options through such facilities as local tourism bureaus and reservation services.**

One of the problems with current marketing efforts is that some sectors have relied on traditional marketing techniques related to the boating community (e.g., placing ads in boating magazines, using charter brokers). While these are important marketing channels, the product is also of interest to consumers who may not be exposed to boating venues. Given that much of the product sold by power and sail cruising is similar in nature, it should also appeal to those individuals who are not active boaters but who have an interest in an outdoor/adventure travel product. While some operators have moved more into outdoor adventure marketing there is room for more movement given benefits that British Columbia is recognized as an outdoor/adventure destination.

The first step in these marketing efforts is to increase the awareness of British Columbia's coastal experiences. Even though British Columbia is recognized as a destination for outdoor experiences the majority of that focus has been on landbased activities. The Ministry of Tourism has recently included images which are more coastal related, i.e. killer whales in Robson Bight, in their publications. However, these efforts need to be increased to ensure that both North American and international markets recognize British Columbia as a destination for coastal experiences. These efforts would benefit the complete range of marine tourism operators from the kayaking to power/sail cruising to small cruise ship operators and supplement their marketing efforts.

A major gap in the industry's market approach related to coastal experience is the absence of an overall source of information or a "guide" on coastal experience opportunities. At the present time, it would be very difficult for a consumer to readily find information on the full array of opportunities available. The success of the saltwater and freshwater fishing guides are examples of how a comprehensive approach for a specific sector can yield real benefits in the form of increased business for operators.

The first step in this approach would be to commence discussions with the Ministry of Tourism Marketing Branch on specific needs and potential opportunities for a ministry/industry partnership. To ensure the greatest possible effectiveness, the industry should strengthen their organization and form an integrated industry association (Initiative 3.7 below).

3.6 Implement a series of marketing workshops for coastal experience operators.

Many coastal experience operators expressed interest in marketing assistance from government for their sector. Given that the average coastal experience operator is relatively small compared to their sportfishing counterparts, it is particularly important that any expenditures they make on marketing are effective in generating clients. The market information assembled for this report is a useful starting point and the workshops can be tailored to specific concerns of each sector within the coastal experience group using this information as a starting point.

Institutional Environment and Resource Management

The resource management concerns of the coastal experience operators focused on loss of wilderness areas, pollution, and logging issues as the most important resource management concerns. Fish stocks and commercial fishing were also important concerns but regarded as secondary compared to logging and pollution. Other issues included the need for more marine parks, and overcrowding.

3.7 Encourage coastal experience associations and operators to form an integrated industry association.

The single most important initiative for coastal experience operators is the formation of a strong and representative industry association which can serve as a voice for operator concerns and with which governments can interact effectively. While there are associations for specific sectors (e.g., Northwest Charter Association, Marine Trades Association), these do not fully reflect the common coastal experience problems expressed by operators in this area. From the perspective of providing input to (and influencing) government decision-making, a more effective approach is an association which represents all sectors offering coastal experience tourism products. This does not preclude "chapters" or affiliated associations for specific sectors. Rather, it is aimed at establishing a single industry voice on some of the key (and common) issues facing these operators.

3.8 Meet with coastal experience operators and affected government agencies to review their resource management concerns and establish a process for resolving outstanding issues.

Preceding sections of this report have documented resource management concerns of this operator group, ranging from pollution to the need for more marine parks. While some of the operator issues are also a concern to the sportfishing operator group, many are relevant only for those offering coastal experience product. Once a coastal experience operator association is established (Initiative 3.7), it will be much easier for Government to work with the association in a formal and ongoing way. Some initiatives, as mentioned previously, are already underway by the Ministry of the Tourism. For example, the preparation of a coastal tourism resource inventory will provide valuable resource information for coastal experience operators as well as those offering sportfishing products. The inventory will also place the Ministry of Tourism in an excellent position to assist the industry and work with other ministries and government

agencies in resolving competing use issues and participating in integrated resource planning efforts.

The primary observation in terms of resource management is that, while resource issues are now reasonably well documented, the process for managing these issues is very much a fragmented one. Rationalizing the process will benefit all interested parties.

A more focused approach, together with representation from the overall coastal experience industry, should provide a more efficient and effective means for operators to express their views and raise the profile on their concerns. The greater the focus on their issues and the more professional their approach, the more likely that government will be able to reasonably respond. This requires, as a first step, more effective communication procedures and early input by the industry prior to resource management decision making.

T O U R I S M

Marine Tourism in British Columbia:

Opportunity Analysis

ECONOMIC & REGIONAL DEVELOPMENT AGREEMENT

Canada

BC

MARINE TOURISM IN BRITISH COLUMBIA:

OPPORTUNITY ANALYSIS

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The responsibility for the content of this report is the consultant's alone, and the conclusions reached herein do not necessarily reflect the opinions of those who assisted during the course of this investigation or the federal and provincial governments which funded the study.

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1.0 Introduction and Scope

British Columbia is home to a rich outdoor environment comprising mountain regions, rivers, freshwater lakes, and extensive coastline areas. The salt and freshwater resource base has historically, and to this day, supported major transportation and resource harvesting activity and performs an important role in British Columbia's economy. The pace of economic development in recent decades in the western world has resulted in substantially increased leisure time and disposable income, spurring significant growth in many industries and propelling tourism into an enviable position as the world's fastest growing industry.

In British Columbia, the salt and freshwater resources of the province are emerging as an important factor in offering both recreational and tourism opportunities to residents and visitors alike. The activity most in demand is sportfishing, providing enjoyment for British Columbia residents and business opportunities to entrepreneurs who service this demand. It is estimated that the expenditures by sport fishermen in British Columbia was about $1.3 billion in 1989.[1] The majority of these expenditures, an estimated $800 million, is attributable to tidal sportfishing recreational and tourism activity. In addition to recreational spending, a significant component of this expenditure is derived from the tourism sector.

Significant growth in the marine tourism sector has occurred in the last five years, led largely by increases in lodge and resort developments offering sportfishing products. Together with growth in other marine tourism activities such as power and sail cruising, wildlife viewing, scuba diving, and kayaking, the industry generated an estimated $220 million in 1989[2]. Up to this point, however, the scope and contribution of the marine tourism industry has not been fully documented. In recognition of the importance of this sector, the Ministry of Tourism has turned its attention to the marine tourism industry, commissioning this study to prepare a detailed profile of the industry and identify growth opportunities.

1.1 Study Scope and Objectives

Unlike other sector studies which have investigated a single, well-defined group of operators, the marine tourism industry is a diverse industry which includes not only commercial operators, but facilities and events or attractions which are managed by either groups or government agencies ranging from local to federal levels. Commercial operators include marinas, charter operators, and fishing lodges and resorts offering a range of activities, power and sail cruising, sport fishing, kayaking, scuba diving, whalewatching and wildlife viewing.

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[1] Department of Fisheries and Oceans, 1985 Survey of Sportfishing Activity in British Columbia, 1985. This report estimated about $1.05 billion in economic contribution in 1985 based on a survey of sportfishing license holders. Estimates for 1989 are based on extrapolation of the DFO estimates (see Section 2.0 of this report for a more detailed discussion).

[2] Estimate from the operator survey undertaken for this study.

In addition to the commercial operators there are a number of other organizations or agencies which provide facilities or offer activities which are all marine based. These include the small craft harbour network (involving both federal and local harbour commission management), provincial parks located along the coastline, community based attractions and events which focus on marine related themes, yacht clubs and boating schools, and the B.C. ferry system itself. The common thread in all activities is a British Columbia marine tourism experience. This study investigates the nature of that experience from a tourism perspective, profiles the industry and ancillary activities that have emerged to capitalize on British Columbia's internationally competitive marine resources, and identifies initiatives which can be undertaken by government or in partnership with the industry to ensure continued viability and growth opportunities.

The overall objective of the study was to provide an analysis of the tourism potential of the marine tourism industry in British Columbia and specifically to:

- inventory and classify the marine tourism product
- provide profiles of current and potential users of the marine tourism experience
- identify product and market opportunities
- quantify the economic impacts
- identify marketing, product, resource, and institutional constraints
- identify initiatives to reduce these constraints and enhance prospects for sustainable industry growth.

1.2 What is Marine Tourism?

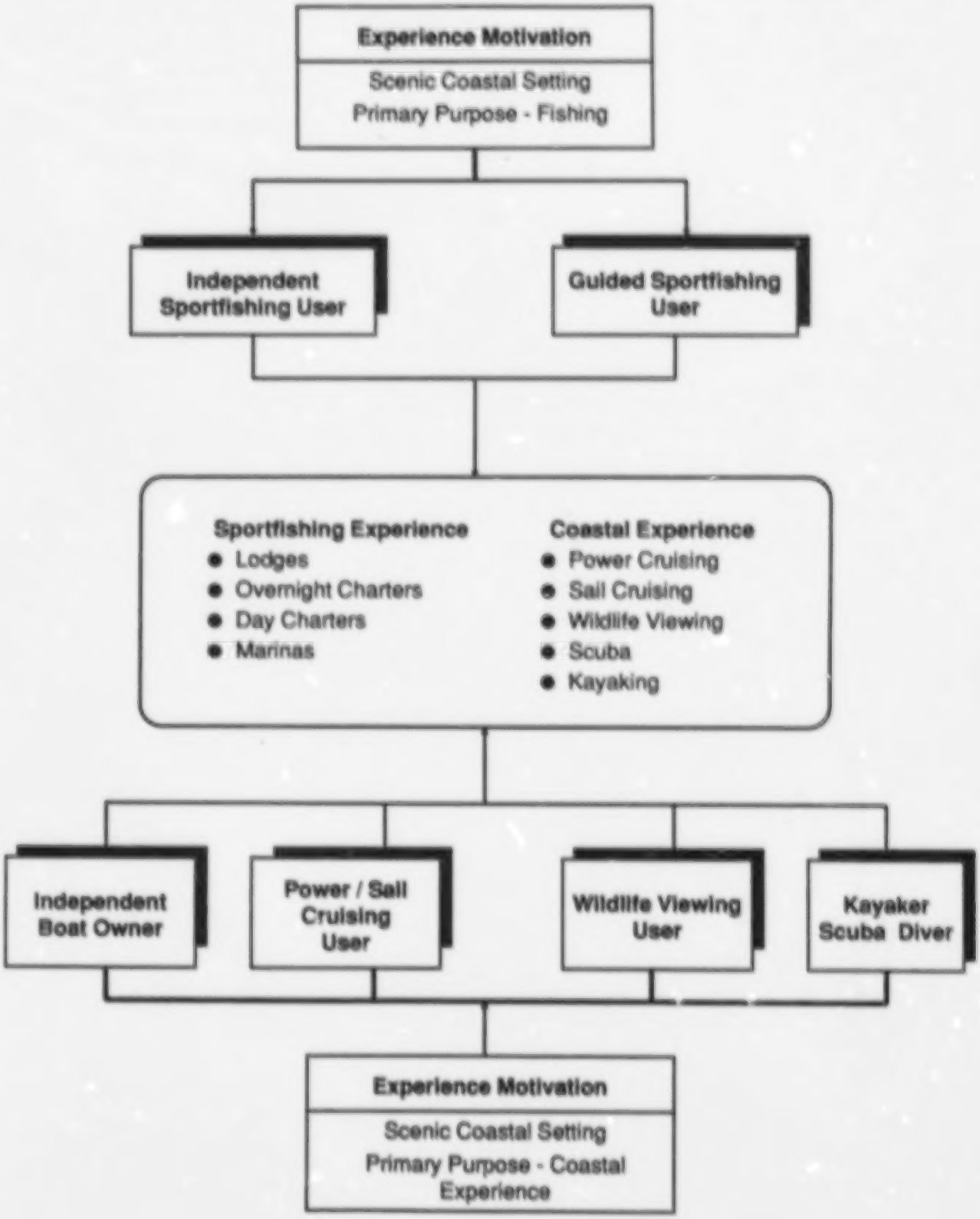
The consumer of marine tourism can generally elect to participate in several ways including:

- guided/skippered
- non-guided or independent experiences
- participation in events and activities.

For the purposes of this report, the focus is on the marine tourism industry. Accordingly, the definition which has been adopted for this study defines the marine tourism industry as those commercial operations which consumers use as part of their marine experience. This can include both guided users who purchase a package and/or related services from a commercial operator and independent users who may purchase services from a commercial operator during the course of their marine experience.

The marine tourism industry is perhaps more complex than most other tourism sectors. Users, for example, can specialize and choose to engage in one activity such as sportfishing. On the other hand users can combine many activities such as power cruising, sportfishing and wildlife viewing to create their marine tourism experience. The general motivation of consumers for a marine experience is illustrated in Exhibit 1.1. In addition to a common motivation to enjoy the scenic coastal setting offered by British Columbia's coastline, users may choose to participate in the marine experience either as an independent user or on a guided basis.

Exhibit 1.1: Marine Tourism Industry



In order to profile the industry, a classification system was required to capture the options available to the consumer on the one hand and define the industry on the other. The system, after examination of both primary and secondary data on the industry, was based on the marine experience which generates the greatest revenues for individual commercial operators. Specifically, as part of the operators survey, operators were asked to identify what percentage of their revenues was generated by the following list of marine experiences:

- sportfishing
- power cruising
- sail cruising
- marina activities
- scuba diving
- wildlife viewing
- kayaking.

Analyses of operator survey results revealed that the industry did fall into clear and distinct groups based on the above marine experiences defined above. Operators offering a marine experience were, therefore, classified into a specific marine industry sector based on the experience which generated the greatest revenue, regardless of other activities which they also offered. It was these sector definitions, derived from the marine experiences listed above, were used to define the marine tourism industry throughout this report.

For the purposes of summary reporting, it was also decided to describe the industry in terms of two general categories:

- operators whose primary activity was categorized as sportfishing related experiences

- operators whose primary activity was categorized as a general coastal experience.

The breakdown between sportfishing and coastal experiences was clear in all cases except for marinas given that they serve virtually all operator types. Based on the research data, marinas were included in the sportfishing related experience group for the following reasons:

- marina users reported that their primary activity was sportfishing (61%). As such, marina infrastructure has developed largely to respond to sportfishing experience and demand; and

- without sportfishing demand, the size and number of marinas would likely be less given that demand from other user groups (e.g., sail and power cruising, wildlife viewing) did not generate the same user volumes as did sportfishing operators.

Marine Tourism - Related Activities and Services

Notwithstanding the focus of this study on the marine tourism industry as defined above, there is a host of related activities and services which, to a greater or lesser extent, all bear some relation to British Columbia's coastal resources and therefore can be considered a part of marine tourism. It would therefore be remiss not to acknowledge these activities and services in a report on marine tourism. Therefore summary profiles are provided as part of this report. These activities and services include:

- marine attractions (e.g. aquariums)
- marine events (e.g. community festivals, sailing races)
- boating schools and yacht clubs
- public facilities (e.g. marine parks and small craft harbours)
- services (eg, air charters, marine trips)
- recreational boating
- accommodation (e.g. ocean front commercial accommodation, second homes).

1.3 Study Methodology

Several data collection methods were employed to assemble both primary and secondary data on marine tourism products and markets. These included both telephone and mail-out surveys as well as a review of secondary data sources. The surveys were extensive and included the following groups:

- commercial marine tourism operators
- marine attractions
- marine related events
- boating schools
- boating clubs
- air charters
- users of the marine tourism product
- associations
- travel influencers.

Secondary research was used to collect information on the following areas:

- summer cottage industry
- boat sales
- public harbours and wharfs
- provincial parks
- fishing license data.

The major source of data on the marine tourism industry was the commercial operators survey. The administration of the survey involved the following general steps:

- distribution of the survey to over 700 commercial operators in January, 1990. This list was compiled from Ministry of Tourism information magazines, DFO lists, Regional magazines, listing of marine operators from Chambers of Commerce and Regional Tourism Associations, Association lists of members, and various specialty yachting and boating magazines.

- follow-up telephone contact with operators in the spring to encourage participation in the survey

- follow-up telephone contact with operators in August and September to improve response rates. Where operators had not completed a full survey or were not willing to do so, a condensed survey was administered by telephone.

Based on these efforts, the final survey response rate was well over 50%.

Primary interviews were also conducted to assemble information on marine tourism activities and events. Again, lists of events and attraction managers were compiled from sources used in the commercial operators survey and a response rate of over 50% was achieved in all cases.

A survey of marine tourism users was administered over a two week period; one week in August and one week in September. A sample of operators representative of marine tourism operator types and geographic locations was selected to distribute the one page survey to all of their clients during the one week period.

Copies of the surveys are provided in Annex A.

1.4 Findings

The report is structured to present both industry wide and sector specific findings for the marine tourism industry. Section 2.0 presents an overview profile of the marine tourism industry's product, market and economic characteristics, for all 9 sectors.

Sections 3.0 to 11.0 inclusive provide descriptions of the characteristics of each specific sector in the industry. This is followed by findings from the user survey in Section 12.0 and a summary description of related marine tourism activities: that is, attractions, events, and infrastructure used by the industry in Section 13.0.

The overall contribution of the marine tourism industry to the province's economy is described in Section 14.0.

In order to develop a sound understanding of the constraints facing this industry, the operator survey included questions related to their perceptions of constraints to business growth, whether they be in the resource or general business area. These results are presented in Section 15.0. Also important in formulating initiatives for the industry is an understanding of the institutional environment in which the industry operates. This is presented in Section 16.0.

The report concludes with recommendations for consideration by the Ministry of Tourism on specific product, market, resource and institutional initiatives to encourage growth and development in the marine tourism industry.

2.0 Overview of Marine Tourism

In order to provide a context for the detailed profiles of marine tourism industry sectors and related activities and services presented later in this report, an overview of marine tourism is provided in this section. Summary findings on industry products, markets and economics are first presented. This is followed by a brief overview of marine tourism related activities and services.

2.1 Industry Product Profile

The marine tourism industry offers a diverse range of product for its user base. It is estimated that there were 780 operators in 1989. Fishing related operators represent approximately 74% of the marine tourism industry. The majority (52%) of these operators are day charter operators followed by marinas (29%), lodges (14%) and overnight charters (5%). Coastal experience operators comprised 24% of the marine tourism industry. Thirty-four percent of these operators offered power cruising, 24% sail cruising and wildlife viewing, 10% scuba diving and 8% kayaking. Key product features of each sector of the marine tourism industry are summarized in Exhibit 2.1.

Overview product descriptions for each industry sector shown in Exhibit 2.1 are provided below. Detailed profiles are provided in Sections 3.0 to 11.0 inclusive in this report.

Sportfishing Lodges. The number of sportfishing lodges located along British Columbia's coast has doubled since 1987 to its current level of about 80 facilities. The lodges comprise two distinct groups based on the type of product they offer; full service and economy service. Full service facilities offer an all inclusive package covering meals, accommodation, fishing (guides, boats, etc) and, in many cases, air transportation to the lodge itself. Priced at a premium, these facilities typically include amenities such as hot tubs, common areas, a dining area and comfortable rooms. Economy lodges, on the other hand, offer lower priced packages and might only include accommodation, boats and guides. Clients must provide their own transportation to the facility and kitchenettes are provided for meals.

Overnight Fishing Charters. Like fishing lodges, the estimated 30 businesses offering overnight fishing charters include both full service and economy charter packages. Full service charter operations provide large, luxurious vessels with staterooms, a general meeting area and often a separate dining area. The staff to client ratio is generally high, reflecting the level of personal service. Fishing is undertaken through the use of smaller boats and, in many cases, fishing guides are provided. Economy fishing charters are provided through smaller power boats which serve as both the accommodation facility and the vessel from which fishing is undertaken. Generally owner-operated, these vessels usually have only one to two staff and fishing destinations are determined by the range of the vessel itself. Per diem rates are significantly less than those charged by full service overnight fishing charters.

Exhibit 2.1: Product Features of the Marine Tourism Sectors, 1989

	Fishing						Coastal Experience				
	Lodges		Overnight Charters		Day Charters	Marinas	Power Cruising	Sail Cruising	Wildlife Viewing	Scuba Diving	Kayaking
	Full Service	Economy Service	Full Service	Economy Service							
No. Operators	60	20	10	20	300	165	70	50	50	20	15
Age: % < 5 years old	33	46	55	33	33	25	48	39	65	20	71
% Provide Accommodation	100	100	100	100	0	24	55	95	71	60	n/a
Average No. Beds	45	16	29	5	-	25	8	38	10	10	n/a
Boats (% provide)											
<20'	92	83	71	9	33	39	23	5	41	40	71
20-59'	54	66	14	91	79	25	71	100	71	80	57
60-100'	0	0	29	9	0	3	23	32	29	0	0
100' +	0	0	29	0	0	0	39	0	0	0	0
Pricing (average $)											
per day	n/a	n/a	n/a	n/a	220	90[a]	n/a[b]	n/a	110	83	55[a]
per night	360	265	360	225	n/a	n/a	n/a	205	160	100	137
Financial: Average per Operation											
Revenues ($000)	978	90	800	35	27	616	318	166	84	170	293
Wages & Salaries ($000)	255	30	180	15	9	123	94	38	34	55	53
Purchase Cost of Assets ($000)	1,647	185	1,290	110	61	1,159	608	430	38	115	240
Person-Years Employment (No.)	13.5	2.5	9.5	1.5	1.3	7.6	6.1	4.3	3.5	3.5	5.0

a Product priced by vessel.
b An overall average price not available as the pricing varied significantly by size of vessel. See Section 7.1 for details on pricing.
Source: Marine Tourism Operators Survey, 1989.

Day Charters. About 300 operators offer day fishing trips along the coast. These trips are characterized by a fishing guide operating one boat, usually less than 40' in length, providing average trips of four hours. Most operators are located in coastal urban centres as they rely on visitors to the community for their client base and/or the accommodation facilities and other services offered by the community. Some operators are affiliated with larger accommodation facilities such as coastal hotels or lodges and provide guiding services for the guests of the hotel. In some cases, groups of charter operators have formed an association through which customers can book fishing trips. For most operators, the business is part time and provides a secondary source of income.

Marinas. There are about 165 privately owned marinas located throughout British Columbia's coastline. The facilities vary significantly in size and type, ranging from those which sell only gasoline to larger, full service marinas with berthage for over 300 vessels. Most marinas provide both long term and short term moorage with some also offering bare boat or skippered charter packages for their clients. Offering an important service for both resident and non-resident owners, marinas are typically located in a coastal community. Marina clients include anglers, power or sail cruising travellers, scuba divers, local recreational boaters, and some also serve commercial fishing vessels.

Power Cruising. About 70 businesses offer a power cruising product in British Columbia's coastal waters, ranging from short (2-4 hour) harbour tours to day or overnight cruises along the coast. Vessels vary in length from smaller boats largely employed for short day trips to larger vessels in excess of 100' in length, used for either day trips serving a large number of passengers or overnight trips for a smaller number of passengers. The power cruising product offers clients opportunities for either bare boat or skippered charters. Most bare boat charter packages employ smaller boats (less than 50'). Skippered charters, usually larger vessels, follow a predetermined tour/route along the coast.

Sail Cruising. Bare boat or skippered sail cruising charters are offered by about 50 operators, with the majority providing overnight charters. Those businesses offering overnight skippered cruises tend to tour the entire B.C. coastline and beyond, picking up new groups of clients during specific "legs" of the cruise. Some operators, though, offer only sailing tours in a specific area such as the Gulf Islands.

Wildlife Viewing. About 50 operators offer wildlife tours, using either sail or power vessels. These operators are not included as part of the power or sail cruising sectors since wildlife viewing is the activity which generates the greatest revenue for their businesses. This group offers both day and overnight trips. Day trips are generally provided on larger vessels, most often based out of coastal communities such as Victoria, Nanaimo, Tofino, Campbell River and Port Hardy. While whale watching is the most popular tour, operators also offer sea lion tours and general wildlife viewing. The season and availability of concentrations of marine mammals or birds dictate timing and product mix. Most wildlife tours include some form of interpretation provided either by the skipper or guide, or, in some cases, by bird or mammal specialists who are employed as tour guides. The wildlife tour may also include a visit to sites of historic or cultural significance.

Scuba Diving. About 20 operators in British Columbia's coastal area offer scuba diving to either resident or non-resident certified divers. Specific packages include overnight, multi-day trips, from either a power vessel or a landbased facility, or single day trips. Businesses operating from a power vessel are able to offer scuba diving product from a variety of destinations along the coastline. Operators relying on landbased facilities either provide their own accommodation or operate in affiliation with local hotel/motels.

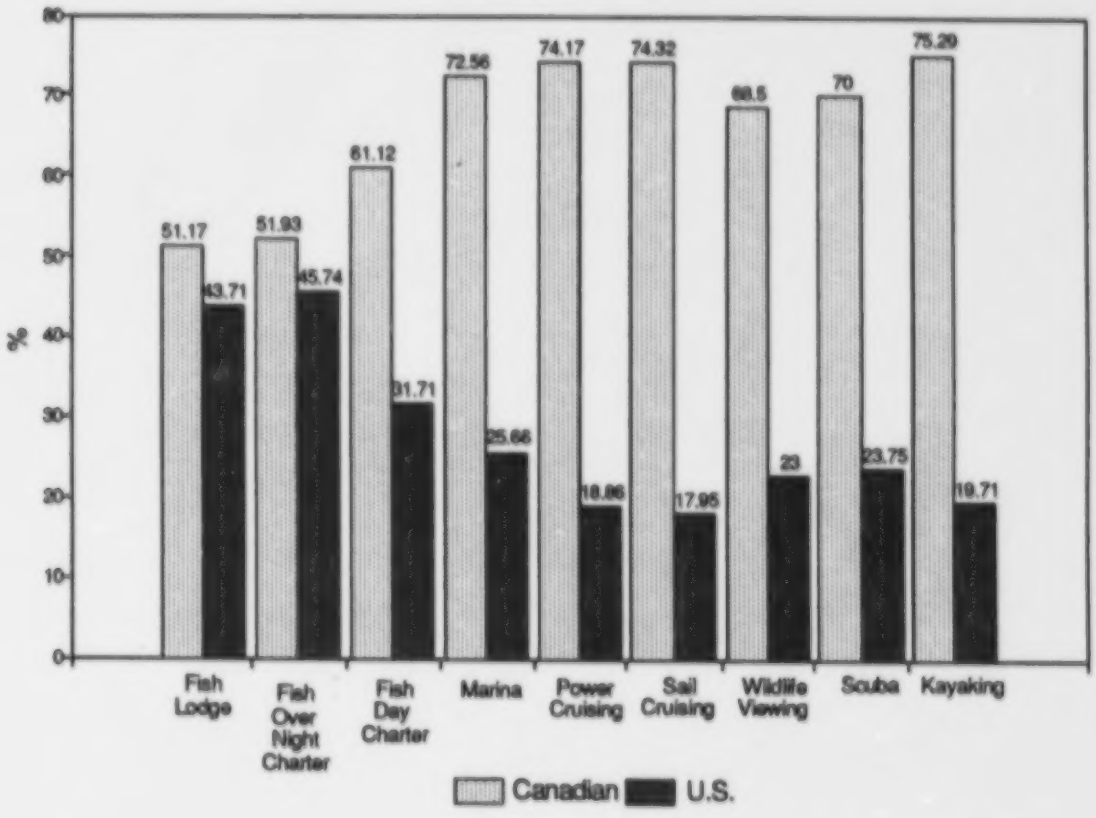
Kayaking. Kayaking is offered by about 15 businesses in the form of either kayak rentals to clients for day or overnight trips or guided, multi-day kayak tours. The majority of businesses offer guided kayak tours with the most popular destinations being the Gulf Island, Barkley Sound, Desolation Sound and the Queen Charlotte Islands. Many of the kayak tours are offered in a provincial or national park area. Most businesses are based in Vancouver or Victoria, relying on staging areas during the season. Clients are typically flown in by scheduled or chartered flight to these areas to commence their tour. The tour itself usually involves exploration of remote areas by kayak with overnight camping onshore. Given the logistics related to client transportation to the kayaking site, most staging areas are reasonably accessible to airports.

2.2 Market Profile and Marketing Efforts

The marine tourism industry primarily serves a Canadian market, as illustrated in Exhibit 2.2. In particular, those operators offering a general marine experience derive the majority of their revenues from Canadian markets (ranging from 68 to 75% in any given sector). Sportfishing related operators, on the other hand, rely more heavily on U.S. markets, particularly in the case of fishing lodges and sportfishing overnight charters. Operators in these two sectors derive only slightly more than one-half of their customers from Canada. Operators offering day charters for sportfishing are less reliant on U.S. markets, with 61% of their customers originating from Canadian origins. Finally, marinas exhibit a similar market profile to those operators classified as the general marine experience with about 73% of their markets originating in Canada.

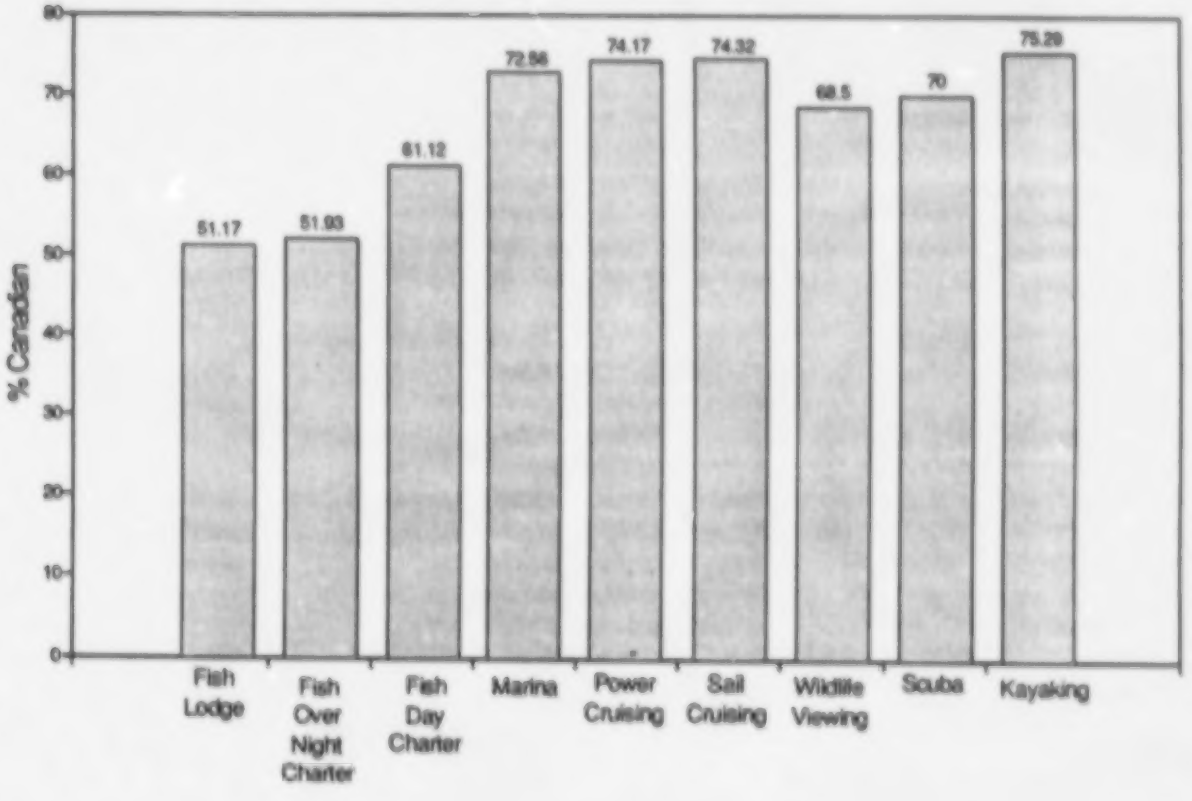
Market demographics vary significantly between the two general groups of marine tourism operators in terms of party composition. Full service sportfishing lodges and overnight charters each attract 43% of their market from corporate groups. Other sportfishing sectors also attract significant proportions of corporate clients, ranging from 10% for economy service sportfishing lodges to 23% for economy service overnight charters. Coastal experience operators on the other hand attract less than 10% of their business from the corporate market, with the single exception of power cruising. These operators attract a sizeable 39% of their market from corporate groups. The largest markets for coastal experience operators are couples and families; about 50% or greater of market share. The only departure from this pattern is in the scuba diving sector where singles comprise about 74% of the market.

Exhibit 2.2: Origin of Marine Tourism Markets



Source: Survey of Marine Tourism Operators, 1989.

Exhibit 2.2: Origin of Marine Tourism Markets



Source: Survey of Marine Tourism Operators, 1989.

Marine tourism operators largely cater to older clientele. In all sectors but kayaking, customers for the most part exceed 35 years of age. In the case of kayaking, the majority of their market (53%) is drawn from a client base which is less than 35 years of age.

A profile of marketing expenditures made by marine tourism industry sectors is provided in Exhibit 2.3. As a percentage of revenue, most sectors generally allocate expenditures for marketing consistent with overall tourism industry performance (about 5-7%). Marinas spend the least on marketing as a proportion of their revenues (2%) and economy overnight charters allocate the greatest amount of their revenues to marketing (14%). In absolute terms, full service sportfishing lodges and overnight charters spend the greatest amount of money on marketing (an average of $72,000 and $90,000 per operation respectively). A total of almost $10 million was spent on marketing by operators in 1989, of which about 75% represented expenditures by sportfishing related operators.

Exhibit 2.3: Marketing Expenditures, 1989

	1989 Marketing Expenditures		
	% Revenue	Average $ per Operation	Total per Sector $000
Sportfishing Related			
Lodges			
Full Service	7	71,700	4,300
Economy	5	5,000	100
Overnight Charters			
Full Service	11	90,000	900
Economy	14	5,000	100
Day Fishing Charters	6	1,700	500
Marinas	2	9,700	1,600
Total Fishing Related Expenditures			**7,500**
Coastal Experience			
Power Cruising	5	15,000	1,100
Sail Cruising	6	10,000	500
Wildlife Viewing	5	8,000	400
Scuba Diving	6	10,000	200
Kayaking	5	13,300	200
Total Coastal Experience Expenditures			**2,400**
Total Marketing Dollars Spent in 1989			**9,900**

Source: Marine Tourism Operators Survey, 1989.

2.3 Economic Profile and Impacts

There are two basic options which can be followed in estimating economic impacts of any tourism sector:

- supply side - involving estimates of tourism revenue generated by industry, as reported by industry operators
- demand side - involving estimates of tourism expenditures as reported by the consumers of the tourism product.

Either approach can be used to derive expenditures, and these in turn provide the basis for estimating economic contribution through the application of economic multipliers. The two approaches, however, measure different things. The supply side approach measures tourism from an "industry" perspective whereas the demand side approach measures tourism from an "activity" perspective. Typically, the supply side approach does not capture all expenditures given that the revenues reported by operators do not include expenditures by consumers as part of the trip before and/or after using the operator services. For example, a consumer may engage in a guided sportfishing package and, once completed, spend a day or two in Vancouver prior to departing for their place of residence. Their retail expenditures at, say, a Vancouver department store would not be credited to the tourism industry but rather to the retail trade industry. At the same time, some of the revenues earned by the sportfishing lodge do not represent tourism since they represent spending by local residents (e.g., locals using the restaurant).

Under the demand side approach, one can not attribute total expenditures to sportfishing since the individual likely took the trip for more than one reason (e.g., sportfishing, visiting friends and relatives, general relaxation). Use of the demand side approach is dependent upon being able to allocate private trip expenditures among various activities from, for example, a visitor survey.

In deriving economic estimates of the marine tourism industry, this study has adopted a "supply side" approach. The primary objective of this approach is to identify the specific contribution of the marine tourism industry to the provincial economy. Adopting an operator perspective is useful in assessing the industry's performance, strengths and weaknesses, and concerns related to growth.

Previous Studies

There has been little in the way of comprehensive analysis of marine tourism in British Columbia to date. Previous studies have focused on specific components of marine tourism (e.g., sportfishing lodges) but none has attempted a comprehensive profile of the industry or of marine tourism generally. More specifically, there has been virtually no economic analysis other than a 1985 report on sportfishing expenditures in British Columbia undertaken by the Department of Fisheries and Oceans (DFO). Given the importance of sportfishing to marine

tourism and the number of operators who provide a sportfishing experience or related services, it is useful to briefly review the results of this study by way of providing a context for discussing the economic impacts of the marine tourism industry as a whole.

The DFO study used a "demand-side" approach; the primary data source being a sample survey of consumers of sportfishing drawn from lists of fishing license holders. As such, it did not attempt to distinguish between leisure activity (e.g., the Vancouver resident going fishing for the evening in Howe Sound) and what is more commonly referred to as tourism activity (e.g., the resident or non-resident travelling to a destination for sportfishing purposes who may purchase the services of a tourism operator).

Exhibit 2.4: 1985 Expenditures Associated with Sportfishing in British Columbia

	Saltwater	Freshwater	Total
Operating Expenditures ($ millions)			
Food & Lodging	58.5	61.6	120.1
Transportation	124.8	59.7	184.5
Fishing Gear	11.5	8.8	20.3
Fishing Services	10.6	7.1	17.7
Packages	31.2	6.3	37.5
Other	1.0	0.6	1.6
Subtotal	237.6	144.1	381.7
Capital Expenditures ($ millions)	164.6	159.5	324.1
Total Direct Expenditures ($ millions)	402.2	303.6	705.8
Provincial Output Multiplier	1.5	1.5	1.5
Total Expenditures[a] ($ millions)	**603.3**	**455.4**	**1,058.7**

a Direct, indirect plus induced expenditures.

Source: Canada Fisheries and Oceans, Sportfishing in British Columbia Tidal Waters 1985, Ottawa, 1988.
Canada Fisheries and Oceans, Freshwater Sportfishing in British Columbia 1985, Ottawa 1988.

The estimated total expenditures including multiplier effects associated with sportfishing in British Columbia in 1985 were about $1.05 billion, of which about $600,000 million was attributed to tidal sportfishing activities (Exhibit 2.4). Using this estimate as a base, and adjusting for more refined data on the operator side, it is estimated that sportfishing activity expenditures were about $1.3 billion in 1990, with $800 million attributable to tidal sportfishing. (See Annex B for a description of the projection procedure.) However, the vast majority of these expenditures are **not** marine tourism expenditures since the bulk represent local residents fishing in local waters and the total expenditures include purchases for fishing gear, boats, and related items which are not tourism related[1].

Economic Profile - Marine Tourism Industry

The marine tourism industry generated an estimated $222 million in annual revenues in 1989. These are the revenues reported by industry operators in each of the sectors defined in Section 2.1 above and are summarized in Exhibit 2.5. About $179 million is generated by fishing related operators and about $43 million by those operators offering a general marine experience such as power and sail cruising. Total investment in the capital base which has been made to date (1989) by these operators amounted to about $409 million.

Marine tourism operators generated an estimated 3,600 jobs (defined as person years of employment) of which about three-quarters were generated by sportfishing-related operators, and 35% were generated by marinas alone.

The economic profile of the marine tourism industry summarized in Exhibit 2.5 shows that sportfishing-related operators contribute about 80% of all industry revenues. These findings definitively show that sportfishing is the "economic engine" of the marine tourism industry. Evidence supporting this conclusion is as follows:

- findings from the user survey show that the primary motivations for marina users were the sportfishing experience (61% of users)
- marinas depend for the majority of their revenues on clientele motivated by sportfishing opportunities

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[1] Also the $1.05 billion expenditure estimate represents the multiplier effect on gross output and involves significant "double counting" e.g. goods and services which represent inputs to suppliers of sportfishermen are counted twice. A better measure of output which does not involve double counting is value added, or the net value of production. This study employs the value added measure of net output.

Exhibit 2.5: Direct Impacts of Marine Tourism Operations

	No. Operators	Revenues	Income[a]	Wages & Salaries[b]	Investment[c]	Employment[d]
			($ million)			
Sportfishing Related						
Lodges						
Full Service	60	58.7	29.8	15.3	98.8	810
Economy	20	1.8	1.1	0.6	3.7	50
Subtotal	80	60.5	30.9	15.9	102.5	860
Overnight Charters						
Full Service	10	8.0	3.4	1.8	12.9	95
Economy Service	20	0.7	0.4	0.3	2.2	30
Subtotal	30	8.7	3.8	2.1	15.1	125
Day Charters	300	8.2	5.0	2.9	18.3	390
Marinas	165	101.7	81.4	20.4	191.3	1250
Total Fishing Related	**575**	**179.1**	**121.1**	**41.3**	**327.2**	**2625**
Coastal Experience						
Power Cruising	70	22.3	9.6	6.6	42.6	430
Sail Cruising	50	8.3	4.8	1.9	21.5	215
Wildlife Viewing	50	4.2	2.2	1.7	11.9	175
Scuba Diving	20	3.4	2.7	1.1	2.3	70
Kayaking	15	4.4	2.6	0.8	3.6	75
Total Coastal Related	**205**	**42.6**	**21.9**	**12.1**	**81.9**	**965**
Grand Total	**780**	**221.7**	**143.0**	**53.4**	**409.1**	**3590**

a Income or value-added is the sum of wages and salaries plus business income (business income or capital surplus comprises interest payments, depreciation, taxes and after-tax profits)

b Included in income

c Original or purchase cost of all investment to date.

d Person-years.

Source: Extrapolated to total industry from 1989 Marine Tourism Survey

- the marina and other sportfishing infrastructure (e.g., lodges) constructed to respond to sportfishing demand, also provide facilities for other marine tourism segments such as power and sail cruising

- of marine tourism segments other than fishing-related operators, about $34.8 million in annual revenues of the $42.6 million generated by these operators depends on a network of marina facilities for their business.

The strength of the sportfishing component of the marine tourism industry is also illustrated by the average revenue per operator generated in each of the two general classifications used in this study:

- fishing-related - $311,000 per operator in annual revenues
- general marine experience - $208,000 per operator in annual average revenues.

Notwithstanding the strength of the sportfishing related operators, those offering a coastal marine experience constitute a significant component of the marine tourism industry in their own right. Generating about $43 million in annual revenues, this group offers more employment per dollar of revenue and provides an important supplementary source of income for such facilities as marinas located throughout the coast. The findings (Exhibit 2.5) also reveal that the majority of revenues generated by operators offering a general marine experience are made by power and sail cruising sectors, which together account for about 70% of operator revenues. Scuba diving, wildlife viewing, and kayaking are much smaller sectors, offering specialized vacation packages. In the case of wildlife viewing, operators generate revenues here for the most part through one day or less packages purchased by tourism consumers whose primary motivation is not necessarily a British Columbia coastal experience.

Economic Impacts

The estimated 1989 economic impacts (Exhibit 2.6) from the marine tourism ***industry*** (i.e., operators) is an estimated $247 million in income or value-added and 5,995 person-years of employment, comprising:

- direct impacts in terms of revenue and employment
- impacts from ripple effects on suppliers (indirect impacts)
- impacts from the respending of wage incomes in consumer industries (induced impacts).

Exhibit 2.6: Marine Tourism Economic Findings, 1989

Marine Tourism Operators	Revenue ($ million)	Income ($ million)	Employment (person-years)
Direct Impacts			
Sportfishing Related	179	121	2,625
Coastal Marine Experience	43	22	965
Total	**222**	**143**	**3590**
Total Impacts[a]			
Sportfishing Related	na	198	4,415
Coastal Marine Experience	na	49	1,580
Total	**na**	**247**	**5,995**

a Direct, indirect supplier plus induced consumer spending impacts, i.e., direct impacts induced.

Source: Extrapolated to total industry from 1989 Marine Tourism Survey

2.4 Marine Related Activities and Services

There are a number of activities and services which many tourism observers would include in a discussion on marine tourism in British Columbia. They range from marine attractions to recreational boating. For the most part, these activities and services are distinguished from the marine tourism industry which is the focus of this report by the fact that their product or service does not directly utilize the coastal resources in British Columbia as do marine tourism operators (i.e., they constitute attractions or services which marine tourism operators may use as part of their product package or they are coastal community based attractions or events). A description of these activities has been included in this report primarily to illustrate the scope and extent of activities related to the marine environment.

The range of activities and services include:

- marine related attractions and events
- yacht clubs and boating schools
- air charter services
- marine trades
- small craft harbours
- marine parks
- recreational boating
- coastal accommodation.

These activities and services are managed by both private and public sector groups and organizations. Some of these are run for profit and others are non-profit.

As part of this study, existing literature (where available) was reviewed to describe the activities and services. Where no information was available, surveys were conducted. It was possible to estimate revenues for some of these activities and services (Exhibit 2.7). Of these, coastal accommodation generated 65% of estimated revenues, followed by air charters at 15%.

Exhibit 2.7: Expenditures from Marine Related Activities and Services

Expenditure Area	1989 Revenue ($ millions)	1989 Employment (person-years)
Oceanfront Accommodation		
- Rooms	47.0	na
- Food, Beverage & Other	24.0	na
Subtotal	71.0	1400[a]
Small Craft Harbours		
- Moorage	1.7	85
Air Charters	16.0	180
Boating Schools	6.2	120
Yacht Clubs	5.0	95
Marine Attractions	9.3	285
Total	109.2	2165

a Wages and salaries estimated at 30% of revenues, $15,000 per person-year employment (based on hotels at 15-75 rooms). Stevenson Kellogg Ernst & Whinney, The B.C. Hotel Industry Study, Report Prepared for the Province of British Columbia and British Columbia and British Columbia and Yukon Hotels Association, April 1989, p.105.

Source: Survey of Marine Tourism in Related Business and Organizations, 1989.

Economic impacts from related activities, events, and services are an estimated $150 million based on direct revenues of $109 million. While not all of these can be ascribed strictly to marine tourism, these related economic impacts do serve to indicate the scope of marine tourism.

3.0 Sportfishing Lodges

There were an estimated 80 sportfishing lodges located along the B.C. coastline. During the fishing season these lodges attracted resident and non-resident anglers who fished primarily for salmon. Since 1987, the number of sportfishing lodges on the coastline has doubled and, as a result, the type of fishing product offered is now more varied. In reporting results, the lodges have been divided into two groups based on the type of product that they offered; full service, and economy service.

The full service facilities offered an all inclusive package with the price including meals, accommodation, fishing (guides, boats, etc) and often air transportation to the lodge itself. The facilities might not be large but typically include amenities such as hot tubs, large common areas with fireplace, dining area and comfortable rooms. High quality service was offered at these facilities and accordingly the packages were priced at high per diem rates.

On the other hand, the economy lodge offered packages at lower per diem rates. The product was not all inclusive and might only include accommodation, boats and guides. Many of the facilities had kitchenettes where the clients cooked their own meals. In addition, clients had to travel to the facilities on their own, either by car or by boat.

3.1 Product Profile

Geographical Distribution

The fishing lodges were located along the coastline in areas where the migrating salmon concentrate. Campbell River was a popular fishing area and home to 43% of the fishing lodges (Exhibit 3.1). Only 2% of the lodges were located south of this area within the Strait of Georgia. In the North Coast area, primarily Rivers Inlet and the Queen Charlotte Islands, 23% of the lodges were found. The areas to the north of Campbell River and on the west coast of Vancouver Island were also popular fishing destinations.

Those lodges located in Campbell River were based out of the Campbell River area. However, to the north and to the west of Vancouver Island, the majority of the lodges were based out of the southern Strait of Georgia area. Many of the lodges were based out of Vancouver and Victoria.

Age of Operation

The average age of the full service lodge was 11 years. Economy service lodges averaged 7 years in operation. Thirty-three percent (33%) of the full service lodges and 46% of economy service lodges were less than 5 years old. As indicated earlier, the total number of lodges has doubled since 1987. Economy service lodges have increased at a greater rate than full service lodges.

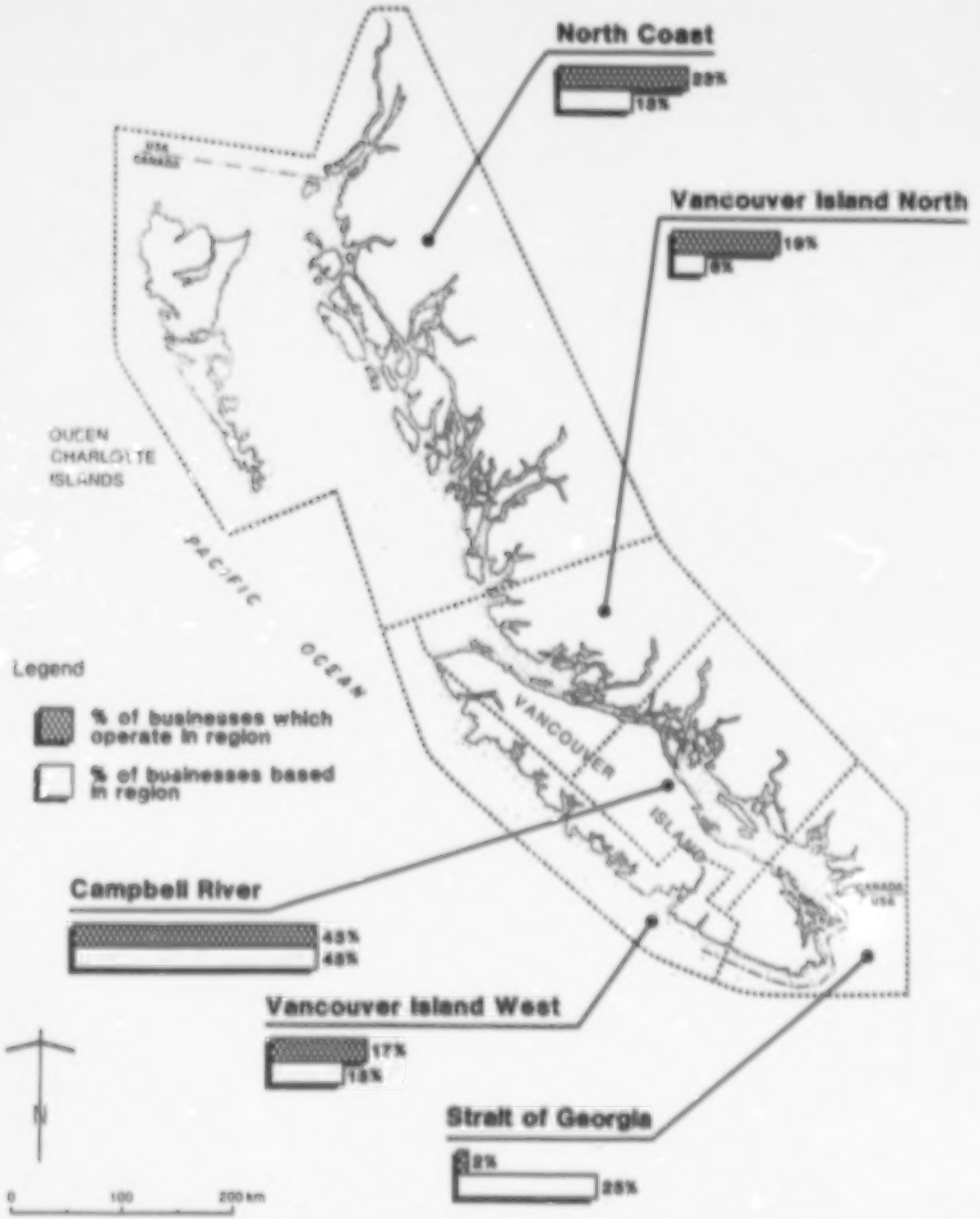


Exhibit 3.1

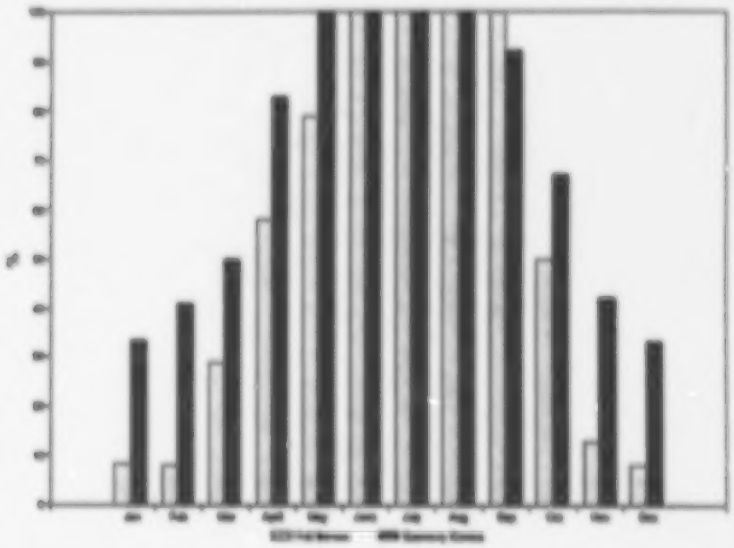
Distribution of Fishing Lodges

Seasonality

The season of operation varied between the two types of lodges. The full service lodge typically closed down during the winter season (Exhibit 3.2). Fifty-percent (50%) of the full service lodges were open for 8 months (March to October) and 20% were only open for 4 months (June to September). On the other hand, 31% of the economy lodges were open year-round while more than 50% were open for 8 months (from March through to October).

The lodges which only operated for four months were located in areas such as Rivers Inlet where the fishing season for salmon was restricted to shorter periods of time. Lodges located in other areas such as Campbell River, the Queen Charlotte Islands and the west coast of Vancouver Island have longer fishing seasons and were thus open for a longer period of time.

Exhibit 3.2: Months of Operation - Sportfishing Lodges



Source: Marine Tourism Operators Survey, 1989.

Specialization

Sportfishing was the primary activity generating revenue for the lodges. For the full service lodges, 92% of the revenues were generated by sportfishing. For the economy service lodges 78% of the revenues were generated by sportfishing. The majority (71%) of the full service lodges and 33% of the economy service lodges only generated revenue from sportfishing. The non-sportfishing revenues for the economy service lodges (22%) were primarily derived from

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landbased accommodation which was not related to sportfishing activity. For both the full service and economy lodges, marina activity generated approximately 3% of the total revenue. Thirteen percent (13%) of the full service and 25% of the economy service lodges obtained a portion of their revenues from wildlife viewing.

Activities Offered

In addition to sportfishing the lodges offered other activities. For the most part, however, these activities did not generate revenue for the facility. As a result, these activities were offered to the clientele in addition to sportfishing. The types of activities offered by these lodges included:

	Respondents Which Offer Activity	
	Full Service %	Economy Service %
Wildlife Viewing	42	67
Power Cruising	33	50
Whalewatching	25	50
Scuba Diving	13	33
Kayaking	13	17
Intertidal Harvesting	8	50
Coastal History	8	25
Native Culture	8	25
Sail Cruising	8	8
Wind Surfing	-	8

As indicated by the above percentages, the economy service lodges offered a wider diversity of activities than the full service lodges. Fifty percent (50%) or more of the economy service lodges offered 4 additional activities to sportfishing.

Wildlife viewing and whalewatching activities were offered by both the full and economy service lodges. Lodges offered wildlife and specifically whalewatching packages during the month of March and early April when the sportfishing season had yet to start up, enabling these lodges to increase their season of operation. However, it is important to note that wildlife viewing only represented 1-2% of the total gross revenues generated by these facilities.

Facilities

The sportfishing lodges typically provided accommodation, boats and guides in their facility mix. Additional facilities which were provided by some of the lodges were associated with sportfishing or recreational boating. The lodge facilities included:

	Respondents Offering Facility	
	Full Service %	Economy Service %
Guides	96	92
Bait	71	33
Restaurant	38	8
Short-term Moorage	33	25
Boating Supplies	21	-
Fuel	17	17
Boat Launch	8	17
Long-term Moorage	8	-

It is interesting to note that not all of the lodges provided fishing guides (4% of full service and 8% economy service lodges). In addition, the economy service lodges offered fewer additional facilities. Only 38% of the full service and 8% of the economy service lodges operated a restaurant where guests who are not staying at the lodge could eat. The remaining full service lodges and a portion of the economy service lodges provided dining facilities which were only available to lodge guests. Thirty-three (33%) of the full service and 25% of the economy lodges offered short term moorage. By providing short term moorage these lodges could cater to anglers who chose to arrive by private boat; that is, usually guests who were combining an independent cruising trip with a multi-day fishing trip.

For those facilities which offered moorage, the number of berths were limited, averaging 14 for full service lodges and 43 for the economy service lodges. The difference between the number of berths was in keeping with the fact that the full service lodges were more focused on the sportfishing activity whereas economy lodges tended to offer other activities in addition to sportfishing. In the latter case the additional berths were intended to attract the recreational boater.

All of the lodges provided some form of boats from which their clientele would fish. The majority of the boats were smaller (less than 20 feet). Ninety-two (92%) of the full service lodges and 83% of the economy lodges offered boats within this size range. As the size of the vessel increased, the percentage of facilities offering larger boats decreased. Approximately 50% of the lodges offered vessels which were 20-39 feet and this dropped significantly to 8% for boats of 40-59 feet. None of the lodges provided boats greater than 60 feet in length, as illustrated below:

Size of Vessel	Average No. of Boats		Average No. of Passengers		% of Respondents	
	Full Service	Economy	Full Service	Economy	Full Service	Economy
< 20'	15	5	3	3	92	83
20-39'	5	2	4	3	46	58
40-59'	6	1	23	5	8	8

The full service lodges typically accommodated a greater number of clients than the economy lodges; the average overall capacity was 45 beds per full service lodge and 16 beds per economy lodge. Seventy-one (71%) of the full service lodges provided lodge accommodation with an average of 42 beds per operation. Only 33% of the economy lodges provided lodge beds, averaging 11 beds per operation. On the other hand, 67% of the economy lodges provided cabins with an average of 12 beds per operation. Twenty-nine percent (29%) of the full service lodges offered cabins averaging 27 beds per operation. A small percentage of the lodge facilities provided hotel beds; 13% for full service lodges and 8% for the economy lodges. The average number of beds per hotel facility was 57 for full service and 52 for economy lodges. None of the lodges provided on-board accommodation as the guests overnighted in the landbased facilities.

Product Pricing

Most of the full service (96%) and economy service (92%) lodges provided guided fishing packages. The average price for the full service guided package was $360 per client per night and $265 for the economy service guided package. Half of the full service lodges and three quarters of the economy service lodges offered non-guided packages. The average price was $250 and $100 per client per day for full service and economy service packages respectively. The full service prices ranged as high as $750 per day.

3.2 Economic Profile

Revenues. Total sector revenues from the 80 operators were an estimated $60.5 million, or $756,000 per operation in 1989 (Exhibit 3.3). Full service lodges generated an estimated $58.7 million revenue at an average of $978,000 per operation. Economy lodges averaged $90,000 per operation, with the 20 lodges generating $1.8 million in annual revenues.

Ninety-two percent (92%) of this total came from sportfishing packages. The percentage breakdown of the revenue base of the sector is:

	% of Revenues	
Activity	Full Service	Economy
Sportfishing	92.3	78.3
Wildlife Viewing	1.0	1.7
Power Cruising	1.9	0.8
Sail Cruising	0.4	-
Scuba Diving	0.4	-
Kayaking	-	-
Marina	2.5	3.8
Other	1.5	15.4

The revenue base for full-service sportfishing lodges was dominated by sportfishing packages whereas 78.3% of economy lodge revenues were generated by these packages.

Exhibit 3.3: Economic Profile of Fishing Lodge Operations in British Columbia, 1989.

	Full Service		Economy Service		Total ($ millions)[c]
	Total ($ millions)[c]	Average Per Operation ($ '000)[c]	Total ($ millions)[c]	Average Per Operation ($ '000)[c]	
No. Operators	**60**	**1**	**20**	**1**	**80**
Revenues	**$58.7**	**$978.0**	**$1.8**	**$90**	**$60.5**
Revenue Distribution					
Wages & Salaries Paid[a]	$15.3	$255	$0.6	$30	$15.9
Purchases Goods & Services	$28.9	$481	$0.7	$35	$29.6
Capital Return	$14.5	$242	$0.5	$25	$15.0
Includes Interest Payments, Depreciation, Taxes, Profit					
Total	**$58.7**	**$978**	**$1.8**	**$90**	**$60.5**
Purchase Cost of Assets					
Land	$10.6	$177	$1.1	$55	$11.7
Facilities	$53.3	$888	$1.1	$55	$54.4
Boat	$28.8	$480	$1.2	$60	$30.0
Other	$6.1	$102	$0.3	$15	$6.4
Total	**$98.8**	**$1,647**	**$3.7**	**$185**	**$102.5**
1989 Capital Expenditures[b]	**$7.2**	**$120**	**$0.3**	**$15**	**$7.5**
Market Value of Assets	**$156.0**	**$2,600**	**$6.0**	**$300**	**$162.0**
Positions/Jobs (No.)					
January 1989	260	4.3	15	0.7	275
April 1989	630	10.5	35	1.8	665
July 1989	1655	27.6	95	4.7	1750
October 1989	695	11.6	60	3.0	755
Person-Years Employment (No.)	**810**	**13.5**	**50**	**2.5**	**860**

a. Includes a wage to the owner operator
b. Included in purchase cost of assets.
c. Unless otherwise indicated.

Source: Extrapolated to total sector from 1989 Marine Tourism Survey.

Employment. Peak summer employment in the sector was 1,750 jobs. Many of these jobs were seasonal. The result is that the sector provided 860 person-years of employment (based on averaging the four seasonal employment levels). An estimated 23% of this employment was part-time as opposed to full-time employment. Ninety-four percent (94%) of the 860 person-years of employment generated by this sector was attributable to full-service lodges.

The average year-round employment level was 10.75 person-years of employment, an average of 13.5 person-years of employment for full-service sportfishing lodges and 2.5 person-years of employment for economy lodges. The sector average employment level of 10.75 person-years translates into an average revenue per employee of about $70,300.

Wages Paid. Wage income earned by employees in the sector represented $15.9 million in 1989 (Exhibit 3.3). As total employment was 860 person-years, the average annual wage rate was $18,500. The annual average wage rate per employee for economy sportfishing lodges was $12,000 and $18,900 for full-service sportfishing lodges. The sector's annual average wage rate is lower than the provincial average annual wage of approximately $25,000 in 1989.

Many of the smaller operations were owner-operated and employed family labour. In these cases, the decision by the operator as to what wage to draw and what surplus to leave in the business was arbitrary. Also, some workers receive free food and lodging, and accordingly received a lower wage. These factors, as well as the relatively high level of part-time labour, affected any wage comparison to the economy at large.

Investment. The total of all capital investment to date for the 80 operations on an original or purchase cost basis was an estimated $102.5 million in 1989. That is, the sector has invested approximately $1.70 for every $1 of annual revenue[1]. The bulk of the investment by full-service lodges was in facilities (Exhibit 3.3). Economy lodges made approximately equal investments in boats and facilities.

Of the $102.5 million investment, $7.5 million was estimated to have occurred in 1989.

The current market value of the 80 sportfishing lodge operations, including land, facilities, boats and other equipment, was $162 million (as estimated by operators).

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[1] Investment refers to the original cost of all investment "associated" with the fishing lodge operation. Some of this investment may be used to generate revenues from other activities.

Supply Purchases. The sector provides linkages to other provincial economic sectors through the purchases of goods and services. In 1989, the sector purchased an estimated $29.6 million in supplies broken down approximately as:

	Purchases from Suppliers ($ millions)			
	Full Service	% of Total	Economy	% of Total
Food & Accommodation	$11.6	40	$0.1	14
Transportation	5.6	20	0.1	14
Marketing, Promotion, Travel	4.3	15	0.1	14
Maintenance	2.7	9	0.1	14
Administration	2.1	7	0.2	29
Other	2.6	9	0.1	15
Total	$28.9	100	$0.7	100

Full-service sportfishing lodges spent about 15% of their purchases of goods and services on marketing, promotion and travel. This represents about 9.7% of total expenditures on wages and salaries and the purchase of goods and services.

Of the $4.3 million expenditures by full-service sportfishing lodges on marketing, promotion and travel, 62% were made in the province. Economy sportfishing lodges spent an estimated 75% of their purchases on marketing, promotion and travel services in British Columbia. However, well over 95% of all other expenditures on goods and services by this sector were made in British Columbia.

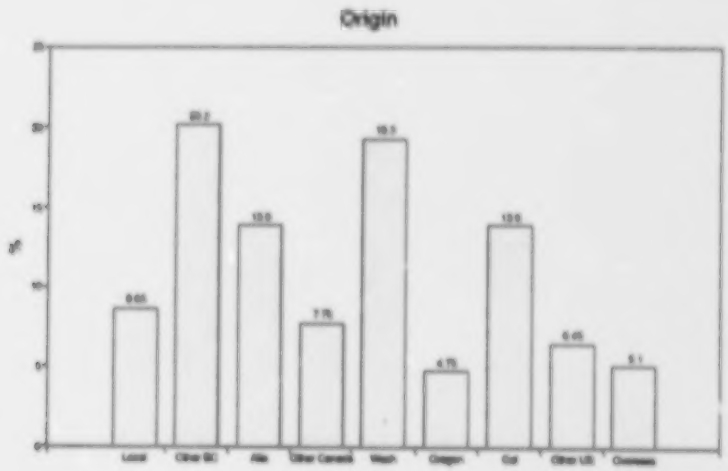
Supply purchases represented 49% of the $60.5 million in sector revenue in 1989. Wages paid comprised another 26%. The residual (25%) represented a gross return to capital to cover interest payments on borrowed capital, a depreciation reserve for the recovery of capital, taxes including permits and licences, and after-tax profit or return to capital (Exhibit 3.3).

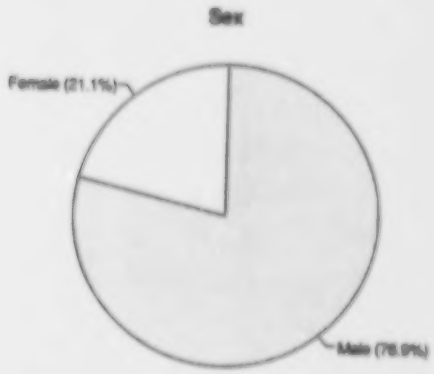
3.3 Market Profile

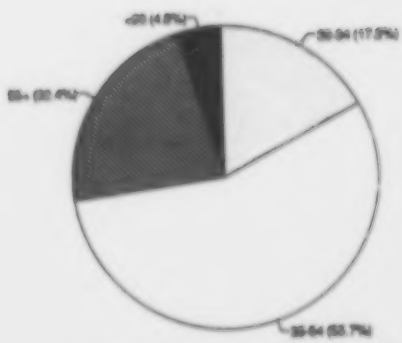
Canadians constitute the largest market for the lodges (51%), with British Columbia the primary Canadian market (29% for full service and 32% for economy service). The U.S. angler represented 44% of the market with California and Washington being the two major U.S. markets. The full service lodges attracted a greater portion of long haul markets (clients who travelled greater distances, i.e., California, Ontario). On the other hand the economy service lodges captured a greater share of British Columbia and Albertan anglers (Exhibits 3.4 & 3.5). The lodges only attract 5% of their clientele from overseas markets. For the most part, these overseas markets represent Europe and specifically Germany.

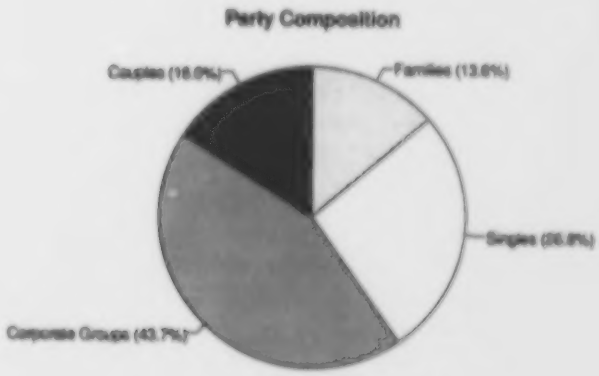
The typical age for a visitor to the sportfishing lodges was between the ages of 35 and 54 years. The economy service lodges attracted a younger clientele as 28% of their clients were 34 years and younger. Only 22% of the full service lodges attracted this age group.

Exhibit 3.4: Market Profile of Full Service Lodges, 1989



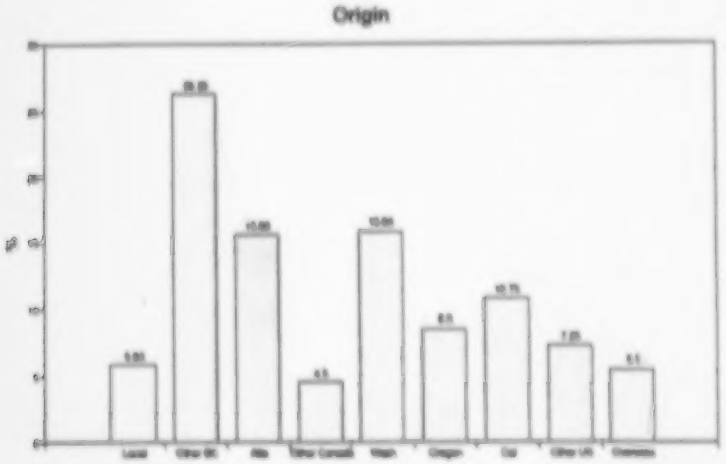


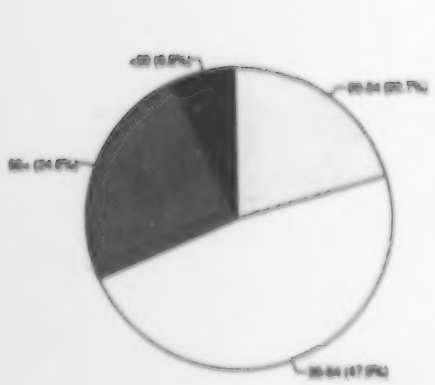


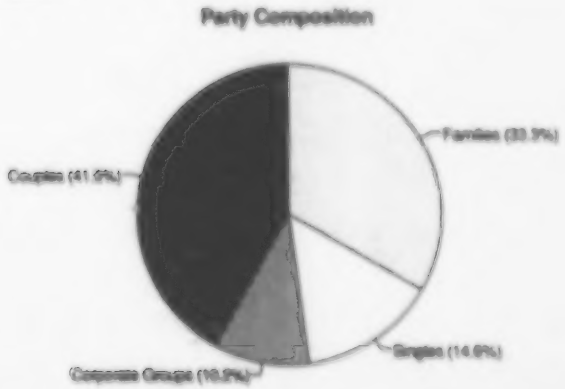


Source: Marine Tourism Operators Survey, 1989.

Exhibit 3.5: Market Profile of Economy Service Lodges, 1989







Source: Marine Tourism Operators Survey, 1989.

Although males accounted for the greatest proportion of clients to the sportfishing lodges, the economy service lodges attracted a greater percentage of females (36%).

The lodges also varied in their party composition. For the full service lodges, corporate groups (44%) and singles (27%) comprised the top two party types. For the economy service lodges corporate groups represented 10% of the total market share. However, families (33%) and couples (42%) were more important to economy service lodges. This difference in party composition is consistent with the difference in client age and sex profiles between the two types of ledges.

The majority of the bookings for the full service lodges were generated through direct sales. Although direct sales was the predominant method to generate bookings other avenues were also used:

	% of Bookings	
	Full Service	Economy Service
Direct Sales	90	78
Charter Brokers	2	3
Wholesalers	1	1
Travel Agents	3	5
Other	4	13

3.4 Marketing

Full service lodges allocated 7% of their 1989 gross revenues to marketing, an average of $71,700 per operation. The economy service lodges allocated 5% of their 1989 gross revenues to marketing. Although this percentage was only 2% less than full service lodges the average 1989 budget of $5,000 per lodge is significantly less compared to full service lodges. For the full service lodge group a total of $4.3 million was spent on marketing in 1989, significantly more than the economy service lodge group's expenditure of $100,000.

Lodges used a wide variety of marketing tools to attract their clientele as indicated below.

	Respondents Who Use Marketing Tool	
	Full Service %	Economy %
Brochures	96	100
Word of Mouth	96	92
Magazine Advertising	77	75
Ministry Tourism Guides	73	75
Consumer Shows/Trade Shows	73	42
Direct Mail	68	33
Contact by Phone	68	33
Promotional Donations	64	42
Promotional Trips/Small Group Presentations	60	8
Brokers	50	25
Videos	50	25
Newspaper Advertising	46	17
Complimentary Trip for Travel Writers	46	33
Radio	23	17
Television	9	17
Other	9	17

The significant dollars available to the full service lodges enabled expenditures on printed material such as brochures, magazine advertisements, Ministry of Tourism guides and newspaper advertisements, as well as travelling directly to the market for promotional trips, consumer shows and trade shows. In addition, expensive marketing tools such as videos and direct mail were utilized by the majority of the full service lodge operators.

With their limited budget of $5,000 a year, the economy lodges were very selective in their marketing expenditures. Printed material such as the Ministry of Tourism guides (saltwater sport fishing lodges) and specialty magazine advertisements which target the saltwater angler were utilized by 75% of the economy lodges. These facilities differed from the full service lodges in that they spent fewer dollars in travelling to the market areas to attract clientele through consumer shows and promotional trips. Expensive marketing tools such as videos, television and radio ads were used by less than 25% of the economy service lodges.

The most effective marketing tool identified by the full service lodges was word of mouth. This was followed by magazine ads, consumer shows/trade shows, videos, direct mail and contact by phone. For the economy service lodges word of mouth was also the most effective marketing tool identified by the lodge owners, followed by brochures, magazine ads, Ministry of Tourism guides and consumer shows.

The majority of the marketing dollars were allocated to attracting the British Columbia resident. In addition to British Columbia, significant marketing expenditures were made in Washington, Oregon and California. Those dollars which were spent attracting overseas markets were generally targeted to the German market.

	% of Marketing Budget Allocated To:	
	Full Service	Economy
B.C.	47	51
Alberta	5	14
Rest Canada	2	2
Washington	20	6
Oregon	8	13
California	12	8
Rest U.S.	4	3
Overseas	2	3

Fifty-eight percent (58%) of the full service lodge operators and 75% of the economy service lodge operators participated in collective marketing. The full service operators marketed with the regional tourism associations, other charter operations, other associations and transportation carriers. The economy services lodges collectively marketed with regional tourism associations, charter operators, other associations, transportation carriers and manufacturers.

The features emphasized in the marketing material varied between the two types of lodges. The availability of fish, the quality of the facilities and services, and experience and professionalism of the guides was emphasized by the majority of the full service lodge operators. The experience and professionalism of guides and the availability of fish were the only two features utilized by 50% or more of the economy service lodge operators.

Features Emphasized in Marketing	Respondents	
	Full Service %	Economy %
Availability of fish	92	67
Quality of facilities & services	79	33
Experience/professionalism of guides	50	75
Quality of marine experience	42	17
British Columbia's wilderness experience	42	33
British Columbia's scenic coastline	17	33

The lodge owners identified Washington, Alaska and Oregon as the primary regions with which they compete for sportfishing clientele. In addition, warmer climate destinations such as Mexico, California and Hawaii were identified as competitive regions. According to the operators the reasons why clients choose British Columbia over other destinations was due to the quantity and the type of fish available, the scenic beauty and unspoiled/remoteness of the destination, price (specifically since it is quoted in Canadian dollars), the location of British Columbia (its proximity to market area and ease of access) and the wildlife available for viewing.

4.0 Overnight Sportfishing Charters

There were an estimated thirty businesses offering overnight fishing charters along the British Columbia coastline. These businesses provided multi-day fishing trips aboard a power vessel. The vessels provided on-board accommodation, all meals were served on board and anglers either fished from the power vessel or, in the case of the larger vessels, from smaller boats (less than 20 feet in length). Like the sportfishing lodges, this sector included two broad groups: full service and economy service.

The full service overnight fishing charters utilized large and luxurious vessels. They provided state rooms, a general meeting area which is used for relaxing and often a separate dining area for meals. The vessels were very comfortable and the staff to client ratio was high, enabling provision of top quality service. For fishing, the anglers used smaller boats which could manoeuvre into the good fishing spots. Fishing guides were provided by most operators. These vessels travelled to the remote destinations and unlike the lodges, they could travel to areas where the fishing was best. Similar to the full service fishing lodges, these overnight charters charged very high per diem rates.

The economy overnight fishing charters utilized smaller power boats, and provided on-board accommodation and meals. The onboard space was limited and the vessels were not luxurious. Often these power boats were owner operated, with only one to two on-board staff. The clients fished from the power boat as these boats were smaller and more manoueverable. The fishing destinations that these vessels offered were determined by the range of the vessel itself. For example, overnight charters based out of Prince Rupert offered fishing trips around the Prince Rupert area and as far away as the Queen Charlotte Islands. However, they did not offer trips down through the Inside Passage and into the Port Hardy area. The per diem rates for the economy overnight fishing charters were significantly less than the full service.

4.1 Product Profile

Geographical Distribution

During the fishing season the overnight fishing charters offered fishing trips from a variety of locations throughout the coast. Eighty-one percent (81%) of the operators offered at least one trip within the North Coast area (Exhibit 4.1). The majority of the full service charters offered fishing trips in the north, specifically the Queen Charlotte Islands. These operators were able to offer a high quality fishing experience in remote locations without having to pay for the high start-up costs of the land-based facilities. In addition, these operators were able to follow the high concentrations of salmon as they migrated to their spawning streams. In addition to the North Coast area, 29% of the operators offered trips in the Vancouver Island north area, 24% in the Campbell River area and 19% on the west coast of Vancouver Island (primarily Barkley Sound) and Strait of Georgia areas.

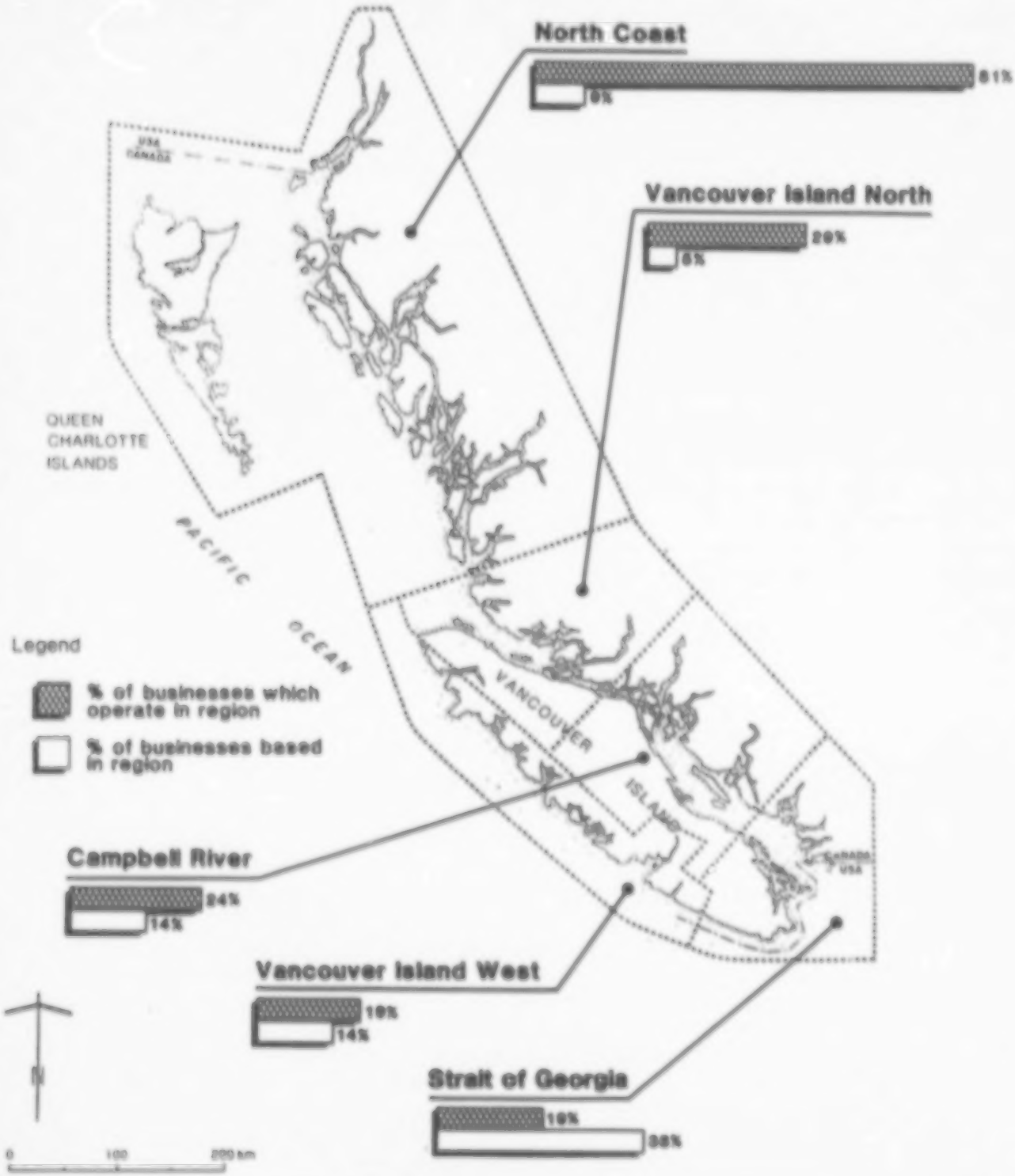


Exhibit 4.1

Distribution of Overnight Fishing Charters

The majority of the full service overnight charters were based in Vancouver and comprised most of the 38% of all operations based out of this area. The economy overnight charters typically were based out of Barkley Sound, Campbell River or the Prince Rupert area. Only 9% of vessels were based in the North Coast, all of which were economy service sportfishing operators based out of the Queen Charlotte Islands and Prince Rupert. Ten percent (10%) of the overnight charters were based out of Vancouver, and 14% out of Victoria.

Age of Operation

Although the average age of the economy service overnight charter was slightly older (eight years) than the full service (seven years), the majority of the economy service operators (55%) had set up their businesses in the last five years. Thirty-three percent (33%) of the full service operators started up in the last five years and the remainder have been in operation for more than five years.

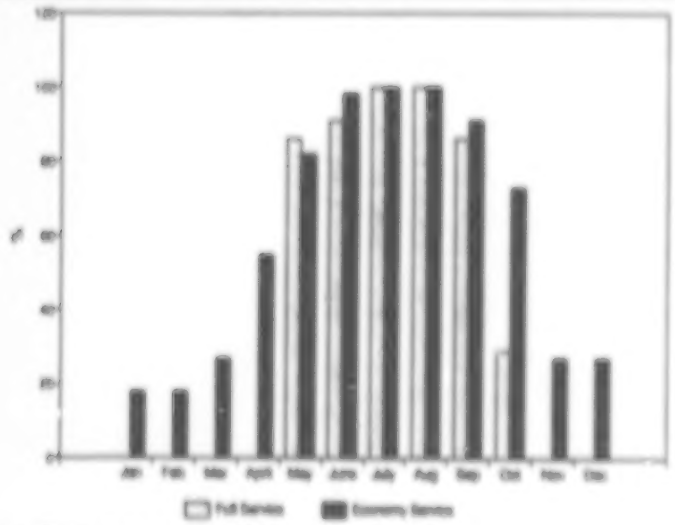
Seasonality

The full service overnight charters season of operation was seven months or less (Exhibit 4.2). The majority of the full service businesses operated on a five month basis (May to September) and the majority of the economy service charters operated on a six month basis (April through to October). The peak months for these businesses was June through to September. A small percentage (20%) of the economy service overnight charters operated year round.

Specialization

Sportfishing was the primary activity offered by the overnight charters. Ninety-one percent (91%) of the revenues generated by the full service charters were attributable to sportfishing and less than 10% to power cruising. For the majority (71%) of the full service operators, sportfishing was the only activity to generate revenue. The economy service overnight charters generated 81% of their revenues through sportfishing packages, with a further 11% from power cruising and 6% from wildlife tours. Twenty-seven percent (27%) of economy service charters only offered sportfishing. Seventy-two percent (72%) of the economy service operators obtained some portion of their revenues from power cruising.

Exhibit 4.2: Months of Operation - Overnight Fishing Charters



Source: Marine Tourism Operators Survey, 1989.

Activities Offered

Although not identified as generating revenue, activities in addition to sportfishing were offered by the overnight charters. As indicated below, the full service charters primarily focused on sportfishing, whereas the economy overnight charters offered a wider diversity of activities. For the full service overnight charters, sportfishing, power cruising and wildlife viewing/whale watching were the primary activities offered by these vessels. For the economy service charters, these activities, as well as scuba diving and coastal history, were offered to clientele. The economy service charters have developed these additional activities into new product. This is reflected in the fact that 81% of their revenue is fishing related and the rest is derived from power cruising and wildlife viewing.

	Respondents Offering Activity	
	Full Service %	Economy Service %
Sportfishing	100	100
Power Cruising	43	91
Sail Cruising	-	-
Wildlife Viewing	43	91
Whale Watching	43	55
Coastal History	29	46
Native Culture	29	18
Scuba Diving	14	55

Facilities

The facilities of these businesses consisted of a power vessel and, in the case of the larger vessels, smaller boats to fish from. Eighty-six percent (86%) of the full service and 100% of the economy service overnight charters offered guides. For the economy service charters, the guide tended to be the skipper of the vessel.

The full service vessel was typically greater than 60' in length and included several smaller boats (less than 20') for fishing purposes. The economy service charter operator owned a vessel within the 20-39' range and only 9% of the operators provided small boats to fish from. The average number of passengers per vessel was 29 for the full service charters and 5 for the economy service charters.

Vessel Length	Average Number Boats		Average Number Passengers		% of Respondents	
	Full Service	Economy Service	Full Service	Economy Service	Full Service	Economy Service
< 20'	9	4	2	4	71	9
20-39'	-	1	-	5	-	64
40-59'	1	1	12	6	14	27
60-100'	2	1	14	25	29	9
100+	2	-	19	-	29	-

Product Pricing

Typically the overnight charters were priced as all-inclusive packages including guiding services. Between the two types of overnight charters the per client cost was $360 per night for full service and $225 per night for economy service. Thirty percent (30%) of the full service charters and 70% of the economy service operators priced their product by vessel. The average cost for the vessels in the 20-59' length category was $525 per night.

4.2 Economic Profile

Revenues. Total sector revenues from the 30 operators were an estimated $8.7 million, or $290,000 per operation in 1989 (Exhibit 4.3). For the full-service operations, 91% of their total revenues came from sportfishing packages. Economy service operations derived 81% of their revenues from sportfishing packages. Power cruising packages played a small but significant role for each of the full-service (6.4% of revenues) and economy (11.4% of revenues) overnight fishing charters operations. The percentage breakdown of the revenue base of the sector is:

Exhibit 4.3: Economic Profile of Overnight Fishing Charter Operations in British Columbia, 1989.

	Full Service		Economy Service		
	Total ($ million)[c]	Average Per Operation ($ '000)[c]	Total ($ million)[c]	Average Per Operation ($ '000)[c]	Total ($ million)[c]
No. Operators	10	1	20	1	30
Revenues	$8.0	$800	$0.7	$35	$8.7
Revenue Distribution					
Wages & Salaries Paid[a]	$1.0	$100	$0.3	$15	$2.1
Purchases Goods & Services	$4.6	$460	$0.3	$15	$4.9
Capital Return Including Interest Payments, Depreciation, Taxes, Profit	$1.6	$160	$0.1	$5	$1.7
Total	$8.0	$800	$0.7	$35	$8.7
Purchase Cost of Assets					
Land	$0.0	$0	$0.0	$0	$0.0
Facilities	$5.1	$510	$0.1	$5	$5.2
Boats	$7.5	$750	$2.0	$100	$9.5
Other	$0.3	$30	$0.1	$5	$0.4
Total	$12.9	$1290	$2.2	$110	$15.1
1989 Capital Expenditures[b]	$1.1	$110	$1.0	$50	$2.1
Market Value of Assets	$17.0	$1700	$2.0	$100	$19.0
Positions/Jobs (No.)					
January 1989	35	3.5	15	0.8	50
April 1989	70	7.0	20	1.0	90
July 1989	165	16.5	45	2.2	210
October 1989	105	10.5	35	1.8	140
Person-Years Employment (No.)	95	9.5	30	1.5	125

a. Includes a wage to the owner operator
b. Included in purchase cost of assets
c. Unless otherwise indicated

Source: Extrapolated to total sector from 1989 Marine Tourism Survey.

	% of Revenues	
	Full Service	Economy Service
Activity		
Sportfishing	90.7	80.5
Wildlife Viewing	2.9	6.2
Power Cruising	6.4	11.4
Sail Cruising	-	-
Scuba Diving	-	0.9
Kayaking	-	-
Marina	-	-
Other	-	1.0

Employment. Peak summer employment in the sector was 210 jobs. Many of these jobs were seasonal. The result is that the sector provided 125 person-years of employment (based on averaging the four seasonal employment levels). Full service operations averaged 9.5 person-years of employment per operation and generated 95 of the 125 person-years of employment for this sector. The average person-years of employment for economy overnight fishing charters was 1.5 per operation. An estimated 56% of full service person-years of employment was part-time as opposed to full-time, whereas 27% of the economy overnight fishing charter operations was part-time.

The average year-round employment level was 4.2 people per operation. This translates into an average revenue per employee of $70,000 for the sector. Full service overnight fishing charters generated an average revenue of about $84,000 per employee compared to $23,000 per employee for economy charter operations.

Wages Paid. Wage income earned by employees in the sector represented $2.1 million in 1989 (Exhibit 4.3). As total employment was 125 person-years, the average annual wage rate was $17,000. This is lower than the provincial average annual wage of approximately $25,000 in 1989.

Many operations were owner-operated and employ family labour. In these cases, the decision by the operator as to what wage to draw and what surplus to leave in the business was arbitrary. Also, some workers received free food and lodging, and accordingly received a lower wage. These factors, as well as the relatively high level of part-time labour, affected any wage comparison to the economy at large.

Investment. The total of all capital investment to date for the 30 operations on an original or purchase cost basis was an estimated $15.1 million in 1989. An estimated $12.9 million or 85% of all capital investment was generated by full service operations. Overall, the industry has invested approximately $1.74 for every $1 of annual revenue[1]. The bulk of the investment represents purchases of boats (Exhibit 4.3).

Of the $15.1 million investment, $2.1 million was estimated to have occurred in 1989. Interestingly, $1.0 million of these capital expenditures in 1989 were undertaken by economy overnight fishing charters and $1.1 million capital investment for full service operations.

The current market value of the 30 overnight sportfishing charter operations, including land, facilities, boats and other equipment, was $19 million (as estimated by operators).

Supply Purchases. The sector provides linkages to other provincial economic sectors through the purchases of goods and services. In 1989, the sector purchased an estimated $4.9 million in supplies broken down approximately as:

Purchases from Suppliers ($ millions)

	Full Service	% of Total %	Economy Service	% of Total %
Food & Accommodation	$0.5	11	$0.0	-
Transportation	1.9	41	0.1	33
Marketing, Promotion, Travel	0.9	20	0.1	33
Maintenance	0.8	17	0.0	-
Administration	0.4	9	0.0	-
Other	0.1	2	0.1	34
Total	$4.6	100	$0.3	100

Of the $0.9 million expenditures by full service charters on marketing, promotion and travel, 83% were made in the province. Economy overnight sportfishing charter operations spent an estimated $100,000 on marketing, promotion and travel, of which 98% of the expenditures were made in the province. Well over 95% of all other expenditures by this sector on goods and services were made in British Columbia.

Supply purchases represented 56% of the $8.7 million in sector revenue in 1989. Wages paid comprised another 24%. The residual (20%) represented a gross return to capital to cover interest payments on borrowed capital, a depreciation reserve for the recovery of capital, taxes including permits and licences, and after-tax profit or return to capital (Exhibit 4.3).

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[1] Investment refers to the original cost of all investment "associated" with the overnight charter operation. Some of this investment may be used to generate revenues from other activities.

4.3 Market Profile

Overall, 52% of the clientele for the overnight sportfishing charters were Canadian and 46% were U.S. residents. This did vary somewhat between the two types of charters. For the full service charters U.S. residents (64%) dominated the market profile, and for the economy service charters Canadians (70%) dominated the market profile. For the full service charters (Exhibit 4.4), there were three dominant markets: British Columbia (27%), Washington (24%) and California (24%). For the economy service charters, (Exhibit 4.5) British Columbia was the only dominant market (49%). Alberta (14%), Washington (10%), and California (10%) were the next most important markets for the economy charters.

The typical client for the full service overnight charter was older (55 years and older), male and travelled with a corporate group or as a single. For the economy service charters, the typical client was younger (35-54 years) and travelled as a family (father and son) or as a couple. The economy service operators served a wider diversity of party groups, including families, corporate groups, couples and singles (Exhibit 4.5). For the full service operator, families represented a very small market share (4%) and couples a slightly larger share (16%). Direct sales is the primary method to book clientele. The full service charters booked a small portion of their clients through charter brokers.

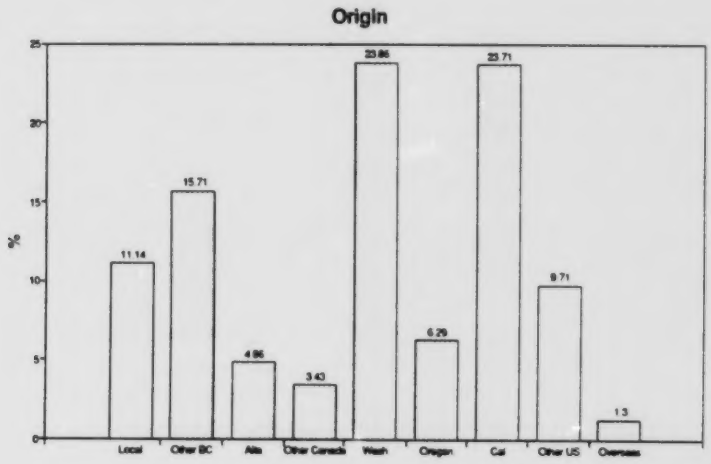
	% of Bookings	
	Full Service	Economy Service
Direct Sales	70	88
Charter brokers	9	-
Wholesalers	1	-
Travel agents	3	4
Other	17	8

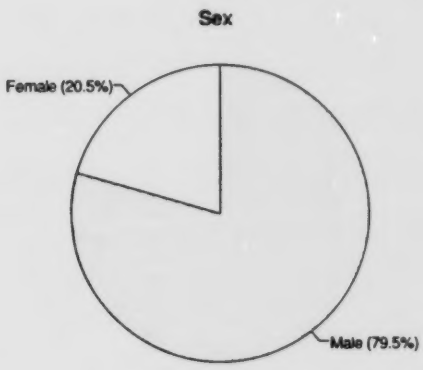
The full service charter operators have developed loyal customers as 64% of their clients were repeat business. Repeat clients was 33% for the economy service charters.

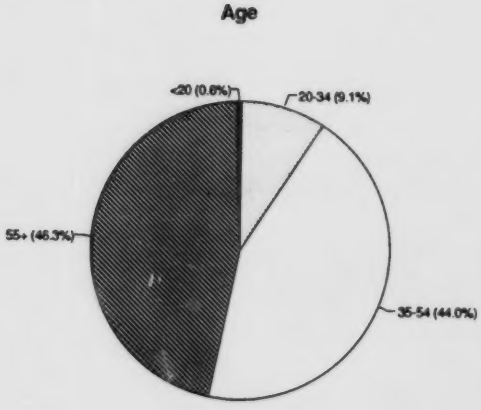
4.4 Marketing

The full service overnight operators spent approximately 11% of their gross revenues on marketing, representing an average of $90,000 a year on marketing. The economy service operators spent 14% of their gross revenues on marketing. This percentage represented an average of $5,000 a year. In 1989, the full service sector spent a total of $900,000 on marketing and the economy service sector spent $100,000.

Exhibit 4.4: Market Profile of Full Service Overnight Charters, 1989







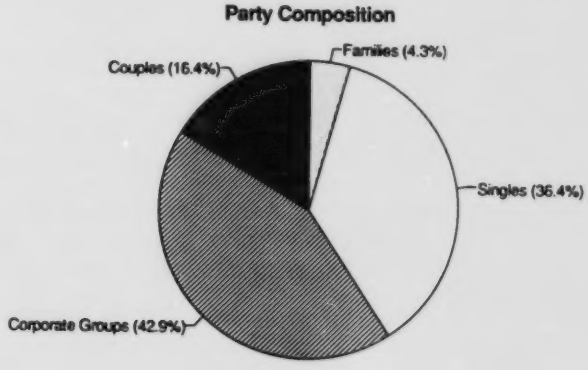
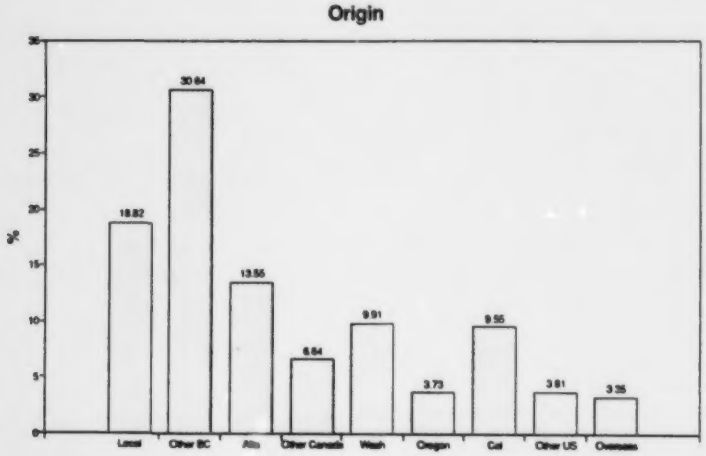
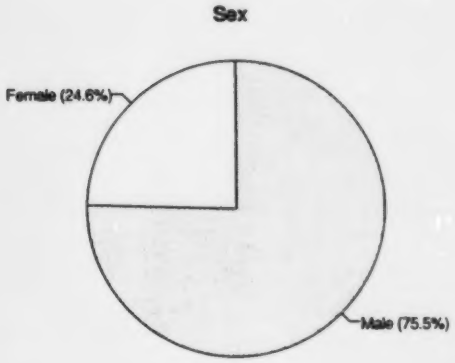
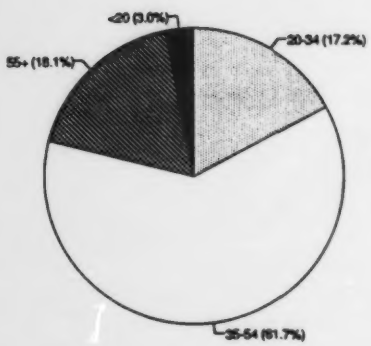


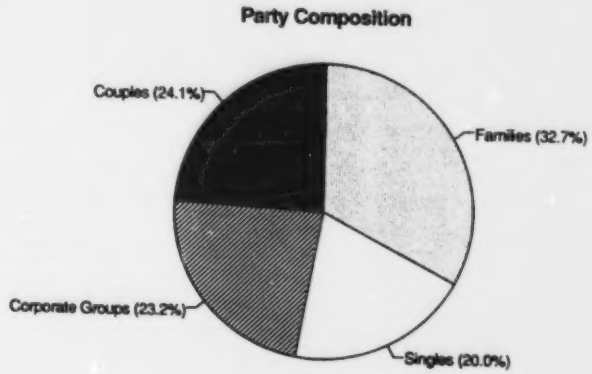
Exhibit 4.5: Market Profile of Economy Overnight Charters, 1989





Age





The overnight fishing charter operator used a wide variety of marketing tools to reach their clientele. The majority (more than 50%) of the full service operators used a total of twelve marketing tools, the most popular of which were printed material such as brochures, magazine advertisements and newspapers. In addition, the full service operators targeted their primary markets through direct mail or consumer shows/trade shows. The majority of economy service operators used an average of four marketing tools: brochures, Ministry of Tourism guides, and word of mouth.

According to the full service operators, the most effective tool was word of mouth. For the economy service operators, brochures were identified as the most effective tool. It is interesting to note that of all marine tourism operators surveyed, the economy service operators were the one group which did not identify word of mouth as the most effective marketing tool. Other effective marketing tools identified by the full service overnight operators included brochures, magazine advertisements, direct mail followed by consumer shows/trade shows and newspaper advertisements. For the economy service operator, other effective marketing tools included word of mouth, magazine advertisements, Ministry of Tourism guides and consumer/trade shows.

	Respondents Who Use Marketing Tool	
	Full Service	Economy Service
	%	%
Word of Mouth	100	91
Brochures	100	100
Contact by Phone	86	36
Magazine Advertising	71	56
Direct Mail	71	46
Consumer shows/Trade shows	71	36
Newspaper Advertising	71	9
Ministry of Tourism Guides	57	73
Promotional Trips/Small Group Presentations	57	36
Complimentary Trip for Travel Writers	57	36
Brokers	57	9
Videos	57	-
Promotional Donations	43	27
Television	29	-
Radio	14	-

In addition to the variety of marketing tools, the size of the marketing budget also determined where the marketing dollars were spent. The full service operator spent the majority of their 1989 marketing dollars in California, Washington and British Columbia. With their limited funds, the economy service operators spent the majority of their 1989 budget in British Columbia.

	% of Marketing Budget Allocated To:	
	Full Service	Economy Service
B.C.	17	69
Alberta	3	11
Rest Canada	2	4
Washington	22	12
Oregon	11	2
California	36	2
Rest U.S.	8	-
Overseas	1	-

Fifty-five percent (55%) of the economy service operators and 43% of the full service operators participated in collective marketing. Of economy service operators who did participate in collective marketing, 43% worked with regional tourism associations, 22% with other sportfishing charter operators, and 22% with other operators. For those full service overnight charter operators who collectively marketed, 50% advertised with regional tourism associations, 33% with other associations and 17% with transportation carriers.

The features emphasized in their marketing material were very focused for the full service operator and were more diverse for the economy service operator. For the full service operator, the availability of fish and quality of facilities were the dominant features. Twenty-nine percent (29%) identified British Columbia's scenic coastlines as well as British Columbia's wilderness experience within their marketing material. For the economy service operator, the availability of fish and quality of the marine experience were the dominant features.

Features Emphasized in Marketing	Respondents	
	Full Service %	Economy Service %
Availability of fish	100	73
Quality of marine experience	57	64
British Columbia's scenic coastline	29	36
British Columbia's wilderness experience	29	36
Quality of facilities/services	86	36
Availability of wildlife to view	-	18

The overnight charter operators identified Alaska and Mexico as the primary regions offering competitive product to British Columbia. According to the operators, the main reason that their clientele chose British Columbia over other sportfishing destinations was the availability and species of fish offered within British Columbia. In addition, British Columbia's scenic quality as well as its location (access and proximity to markets) and price made it competitive over other destinations.

5.0 Day Fishing Charters

Approximately 300 operators offered day fishing trips along the coastline. This operator was typically a fishing guide who owned one boat, less than 40' in length which could take a maximum of 5 passengers. The operator offered day trips which averaged 4 hours in length. During the peak season they could serve two groups of anglers a day.

Most day fishing charter operations were based out of a community. Clients for day fishing charters could be drawn to the community for the sole purpose of sportfishing or for another purpose (ie, touring). In the former case, it was the fishing guide or day charter operation which drew the visitor to the community. In this situation, the guide would organize accommodation at one of the community's facilities for the client.

In some communities, groups of charter operators formed an association through which customers book fishing trips. Some of the operators also worked as freelance guides and would provide guiding service for fishing lodges during peak times. For most of the day fishing charter operators the business was part time, providing a secondary income.

This day charter operator classification excludes 100-200 small operations, each of which typically charter less than 25 days a year and earn less than $10,000 a year. These small operations are difficult to find and were not listed with local chambers, associations or tourism documents. In addition, these charters may operate one year and choose not to operate the next. Therefore, these small charters have not been included in the survey as they could not be contacted.

5.1 Product Profile

Geographical Distribution

Seventy-nine percent (79%) of day fishing charters were based out of two areas within British Columbia's coastline; (Campbell River 44%), and southern Strait of Georgia (35%). The west coast of Vancouver Island was home to 10% of day fishing charter businesses while Vancouver Island North and the North Coast area together accounted for the remaining 11% of businesses. Notwithstanding this distribution of day fishing charters businesses, these businesses exhibited a somewhat different geographical distribution measured on the basis of the region in which they operated, as opposed to the region in which they were based. The Campbell River area accounted for 57% of day fishing charter activity (Exhibit 5.1) with Vancouver Island West and the southern Strait of Georgia areas accounting for a further 24% each. These statistics illustrated the degree to which day fishing charters move from their home base to various coastal areas to offer their product. In particular, the southern Strait of Georgia area, while home to 35% of day fishing charter operations, actually had only 20% of all the fishing charter businesses operating in this area. (It should be noted that the measure of the percent of

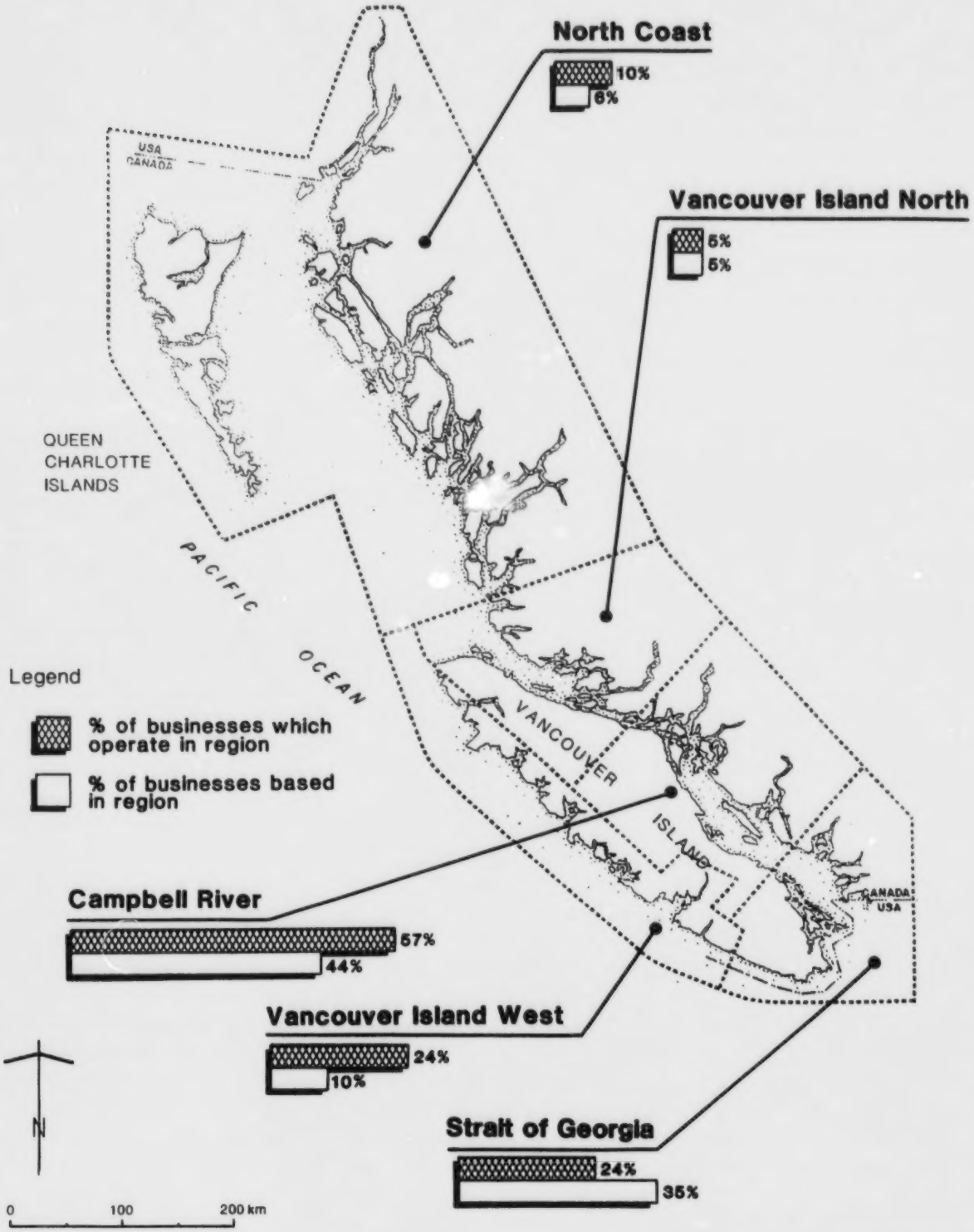


Exhibit 5.1

Distribution of Day Fishing Charters

businesses operating in this area. (It should be noted that the measure of the percent of businesses which operated in the region shown in Exhibit 5.1 will add to more than 100% given that some businesses offer product in more than one region.)

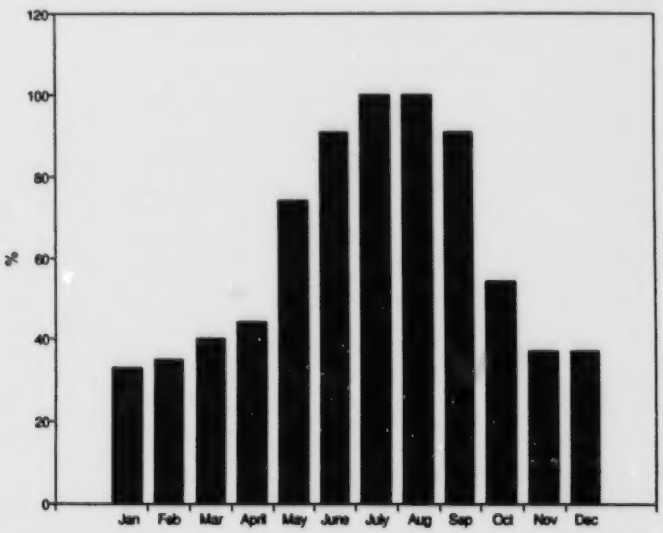
Age of Operation

The average age of day fishing charter operations was nine years. Thirty-three percent (33%) of businesses were less than five years old and 40% were between six and ten years old. Twelve percent (12%) of day fishing charters had been in operation more than ten years.

Seasonality

Many day fishing charter operations operated year-round (33%) while 50% or more operated from May to October (Exhibit 5.2). Thus, for the majority of day fishing charter operations, a six month season was typical.

Exhibit 5.2: Months of Operation - Day Fishing Charters



Source: Marine Tourism Operators Survey, 1989.

Specialization

Of all marine tourism sectors, day fishing charters showed the highest degree of specialization with 94% of all revenues accounted for by sportfishing as the primary activity. A further 3% of revenues was derived from power cruising and 2% from wildlife viewing. The majority (67%) of the day fishing charters only generated revenue from sportfishing.

Activities Offered

In addition to sportfishing, day fishing charters offered a variety of other activities. These activities did not generate significant revenue for the operation and for many operations did not generate any revenue. These activities were in fact supplementary to the primary sportfishing product. The range included:

	Respondents Which Offer Activity %
Sportfishing	100
Wildlife Viewing	51
Power Cruising	49
Whale Watching	21
Coastal History	14
Scuba Diving	12

About 50% of day fishing charters offered either wildlife viewing or power cruising activities in addition to sportfishing. Of the 51% of operations offering wildlife viewing, only 21% responded that they specifically offered whalewatching as a product. As noted above, the two primary activities other than sportfishing offered by these businesses accounted for only 5% of day fishing charter revenues.

Facilities

Day fishing charters were far less complex than their counterpart sportfishing lodges and overnight charters. The operations basically offered guides (98% of businesses) and boats, and many of the operations were, in fact, comprised of a single fishing guide with boat.

Operations which offered moorage were limited to only 3% of all day fishing charters, a further indication of the mobility of these operations.

Thirty-three percent (33%) of day charter operations provided boats which were less than 20' in length and maintained about 4 boats per business. The average number of boats for this size class was influenced by operators who owned more than 10 boats and who only represented 30% of the operators in this size class. In fact the median number of boats offered within this class was one. The majority (72%) provided boats of 20-39' in length, accommodating an average of five passengers per boat. For this size of vessel, the business usually only owned one boat.

Only 7% of day fishing charter operations provided boats greater than 40' in length. These businesses only owned one boat of this size which could accommodate an average of 12 passengers.

Vessel Length	Average No. Boats	Average No. Passengers	% of Respondents
<20'	4	3	33
20-39'	1	5	72
40-59'	1	12	7

Very few day fishing charters offered accommodation associated with their product. Less than 5% of the businesses provided land based accommodation, typically limited to one cabin which could accommodate up to 4 guests. Many of the guides had clients who booked their services for 3-4 days. In these situations the guides arranged overnight accommodation at one of the hotels or motels within the community. Thus, day fishing guides located in communities throughout the coast were dependent on the accommodation and food services provided by the community.

Product Pricing

Most day charter operators (95%) priced their product as a guided fishing trip. Of those, 76% priced their packages by vessel and 29% by client. The average per vessel costs for a guided fishing trip were $47 per hour and $280 per day. The average daily rate priced by client was $220. Only 14% of the operators offered non-guided fishing charters and the average daily price was $125 per vessel.

5.2 Economic Profile

Revenues. Total sector revenues from the 300 operators were an estimated $8.2 million[1], or $27,000 per operation in 1989 (Exhibit 5.3). Ninety-four percent (94%) of this total came from sportfishing packages. The percentage breakdown of the revenue base of the sector was:

Activity	% of Revenues
Sportfishing	94.0
Wildlife Viewing	1.9
Power Cruising	2.8
Sail Cruising	0.3
Scuba Diving	0.2
Kayaking	-
Other	0.8

[1] The 100-200 very small operations excluded from the industry profile described here are estimated to earn, at most, $1 million in annual revenue.

Exhibit 5.3: Economic Profile of Day Fishing Charter Operations in British Columbia, 1989.

	Total ($ millions)[c]	Average Per Operation ($ '000)[c]
No. Operators	**300**	**1**
Revenues	**$8.2**	**$27**
Revenue Distribution		
Wages & Salaries Paid[a]	$2.9	$9
Purchases Goods & Services	$3.2	$11
Capital Return Including Interest Payments, Depreciation, Taxes, Profit	$2.1	$7
Total	**$8.2**	**$27**
Purchase Cost of Assets		
Land	$0.3	$1
Facilities	$0.3	$1
Boats	$14.6	$49
Other	$3.1	$10
Total	**$18.3**	**$61**
1989 Capital Expenditures[b]	**$3.0**	**$10**
Market Value of Assets	**$21.0**	**$70**
Positions/Jobs (No.)		
January 1989	185	0.6
April 1989	300	1.0
July 1989	690	2.3
October 1989	385	1.3
Person-Years Employment (No.)	**390**	**1.3**

a. Includes a wage to the owner operator
b. Included in purchase cost of assets.
c. Unless otherwise indicated.

Source: Extrapolated to total sector from 1989 Marine Tourism Survey.

Employment. Peak summer employment in the sector was 690 jobs. Many of these jobs were seasonal. The result is that the sector provided 390 person-years of employment (based on averaging the four seasonal employment levels). An estimated 32% of this employment was part-time as opposed to full-time employment.

The average year-round employment level was 1.3 people per operation. This translates into an average revenue per employee of $21,000 for the sector.

Wages Paid. Wage income earned by employees in the sector represented $2.9 million in 1989 (Exhibit 5.3). As total employment was 390 person-years, the average annual wage rate was $7,000. This is much lower than the provincial average annual wage of approximately $25,000 in 1989.

Many operations were owner-operated and employed family labour. In these cases, the decision by the operator as to what wage to draw and what surplus to leave in the business was arbitrary. Also, some workers received free food and lodging, and accordingly received a lower wage. These factors, as well as the relatively high level of part-time labour, affected any wage comparison to the economy at large.

Investment. The total of all capital investment to date for the 300 operations on an original or purchase cost basis was an estimated $18.3 million in 1989. That is, the sector has invested approximately $2.23 for every $1 of annual revenue[2]. The bulk of the investment represents purchases of boats (Exhibit 5.3).

Of the $18.3 million investment, $3.0 million was estimated to have occurred in 1989.

The current market value of sportfishing day charters operations, including land, facilities, boats and other equipment, was $21 million (as estimated by operators).

Supply Purchases. The sector provides linkages to other provincial economic sectors through the purchases of goods and services. In 1989, the sector purchased an estimated $3.2 million in supplies broken down approximately as:

	Purchases from Suppliers ($ million)	% of Total
Food & Accommodation	0.2	6
Transportation	0.9	28
Marketing, Promotion, Travel	0.5	16
Maintenance	0.6	19
Administration	0.2	6
Other	0.8	25
Total	3.2	100

2 Investment refers to the original cost of all investment "associated" with the day fishing charter operation. Some of this investment may be sued to generate from other activities.

Of the $0.5 million expenditures on marketing, promotion and travel, 96% were made in the province. Over 95% of all other expenditures on goods and services were made in British Columbia.

Supply purchases represented 39% of the $8.2 million in sector revenue in 1989. Wages paid comprised another 35%. The residual (26%) represented a gross return to capital to cover interest payments on borrowed capital, a depreciation reserve for the recovery of capital, taxes including permits and licences, and after-tax profit or return to capital (Exhibit 5.3).

5.3 Market Profile

Day fishing charters relied, for the most part, on the Canadian market (61% of clients). U.S. markets, however, were also an important client origin accounting for about 32% of the day fishing charter market. Of Canadian clients, 11% were from the local area where the business was based and a further 24% were from other parts of British Columbia (Exhibit 5.4). Alberta was the strongest market outside British Columbia, accounting for about 18% of day fishing clients with the rest of Canada comprising a further 8%. The two most important U.S. markets were Washington (10% of the day fishing charter market) and California (14%). Day fishing charters drew about 7% of all clientele from overseas markets.

The market was dominated by clients in the 35-54 year age group (49%) with a further 27% who were 55 years of age or older. Only about 24% of day fishing charter clients were less than 35 years of age.

Males accounted for the greatest proportion of clients for day fishing charters (74%).

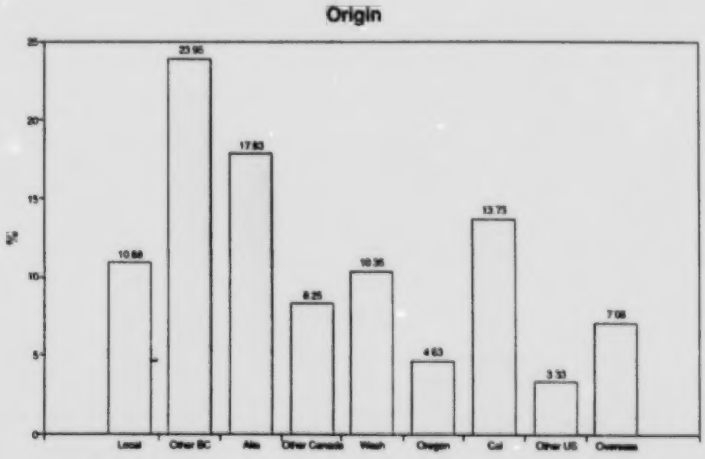
Day fishing charter operations catered largely to families (34%) and couples (29%). Clients in corporate groups comprised 18% of the market; a relatively low level compared to full service lodges and overnight charter sectors. Singles comprised a further 19% of clients, approximately the same distribution as corporate groups.

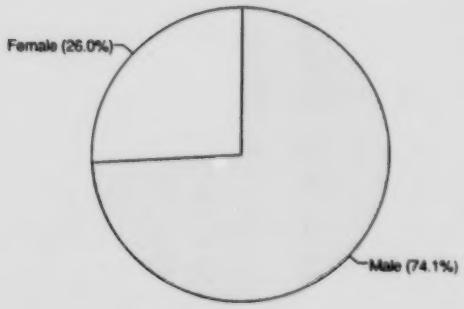
Direct sales accounted for the majority of the day charter bookings in 1989. A small portion of the bookings were generated through charter brokers and travel agents as illustrated below:

	% of Bookings
Direct Sales	82
Charter Brokers	9
Wholesalers	1
Travel Agents	2
Other	6

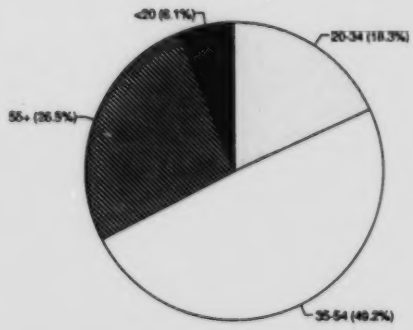
Many of the day fishing charter clients (42%) were repeat clients. This level of repeat clientele was similar to the level for the economy service lodges and overnight economy service charters.

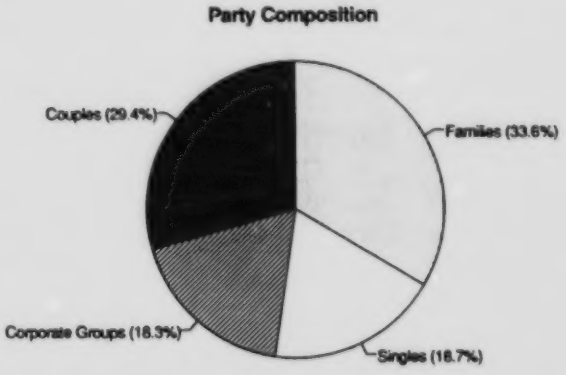
Exhibit 5.4: Market Profile of Day Fishing Charters, 1989





Age





5.4 Marketing

Day fishing charter operators allocated about 6% of their revenue to marketing. An estimated $500,000 was spent by this sector in 1989 on marketing, an average of $1,700 per operation. This small marketing budget limited the operators' ability to use a variety of tools and to market outside British Columbia.

Day fishing charter operators utilized 3-4 marketing tools to attract clientele. Word of mouth (95%), and brochures (86%) were the primary tools for marketing. Ministry of Tourism guides were important marketing tools for this sector as they required minimum expenditures. Other supplemental tools were identified by the operators as indicated below:

	Respondents Who Use Marketing Tool %
Word of Mouth	95
Brochures	86
Ministry Guides	45
Newspaper Advertising	36
Contact by Phone	48
Promotional Donations	41
Direct Mail	36
Consumer Shows/Trade Shows	31
Magazine Advertising	26
Promotional Trips/Small Group Presentations	19

Consistent with their use of marketing tools, day fishing charter operators identified the four most effective tools as:

- word of mouth
- brochures
- Ministry of Tourism guides
- magazine advertisement.

It was interesting to note that newspaper advertising (used by 45% of operators) was not rated as a particularly effective tool by these operators.

The majority of the marketing dollars were allocated to the British Columbia market. About 87% of the marketing budget was allocated to Canadian markets, of which 75% was spent on attracting British Columbia residents. Most of the remainder of the marketing budget (12%) was allocated to attracting U.S. clients.

	% of Marketing Budget Allocated to:
British Columbia	79
Alberta	6
Rest Canada	2
Washington	4
Oregon	2
California	4
Rest U.S.	2
Overseas	1

Collective marketing was an important marketing channel for about 51% of day fishing charter operations. Most of their participation was with either regional tourism associations or other charter operators. A smaller number of operators undertook collective marketing with an industry association.

The features emphasized in marketing material produced by this sector focused primarily on the experience and professionalism of guides and the availability of fish. Just under one-half of the operators emphasized the quality of the marine experience and British Columbia's scenic coastline as important product features in their marketing.

	Respondents %
Experience/professionals of guides	78
Availability of fish	76
Quality of marine experience	46
British Columbia's scenic coastline	41
Quality of facilities and services	30
Affiliations/professional standards	11

Day fishing charter operators regarded Washington and Alaska as the most important regions competing for their client base. Less important, but still regarded as competitive regions to British Columbia were Mexico and California. From the perspective of the operators, their clients chose British Columbia for three major reasons: the availability of fish, the scenic beauty of the British Columbia coastline and price.

6.0 Marinas

Located throughout the coastline were a total of 165 privately owned marinas. These facilities did not include the many government operated wharves which are found in most communities and are discussed in Section 13.0. The private marinas varied significantly in size and in the type of facilities offered. They ranged from facilities which only sell gasoline, to large full service marinas with berthage for over 300 vessels. In the major urban centres there were marinas which only provided long term moorage (on a yearly basis) for resident boaters. However, most marinas did provide both long term (yearly and monthly) and short term (weekly, and daily) moorage. In addition to the standard facilities serving the boater, some of the marinas also offered bareboat or skippered charters for their clients.

The marinas along the coastline provided an important service for both resident and non-resident boaters. Many boaters touring the coastline used the marinas for moorage, gas and supplies. Marinas also provided the boaters with an opportunity to stop and visit a community or specific attraction, such as a museum. Boaters could begin their trip at a marina making use of valuable launching ramps. For multi-day trips, boaters would typically combine marina moorage with anchoring in secluded bays for their overnight stops. Some marinas were located outside of communities which catered to the transient boater.

The marina clients were as varied as the types of marinas. They included anglers heading out for salmon fishing, scuba divers, sail or power cruising travellers heading out for a day trip or multi-day trip, and even kayakers who would start their trip at the marina. In addition to the recreational boater, the marinas served commercial vessels, such as fishing vessels.

6.1 Product Profile

Geographical Distribution

The largest concentration of marinas was found in the southern Strait of Georgia area, in the vicinity of British Columbia's largest populations centres; Vancouver and Victoria. The next largest concentration of marinas (26%) was in the Campbell River area (Exhibit 6.1). On the west coast of Vancouver Island and the northern portions of the coast the number of marinas was very limited. In these more remote areas the boating community was primarily served by government operated facilities (small craft harbours).

Age of Operation

Marinas were the more mature sector examined in this study, with 34% in operation for more than 15 years and 53% for more than 10 years. About 25% of the marinas have been in operation for 2-5 years, indicating that there is a significant number of relatively new entrants to this sector.

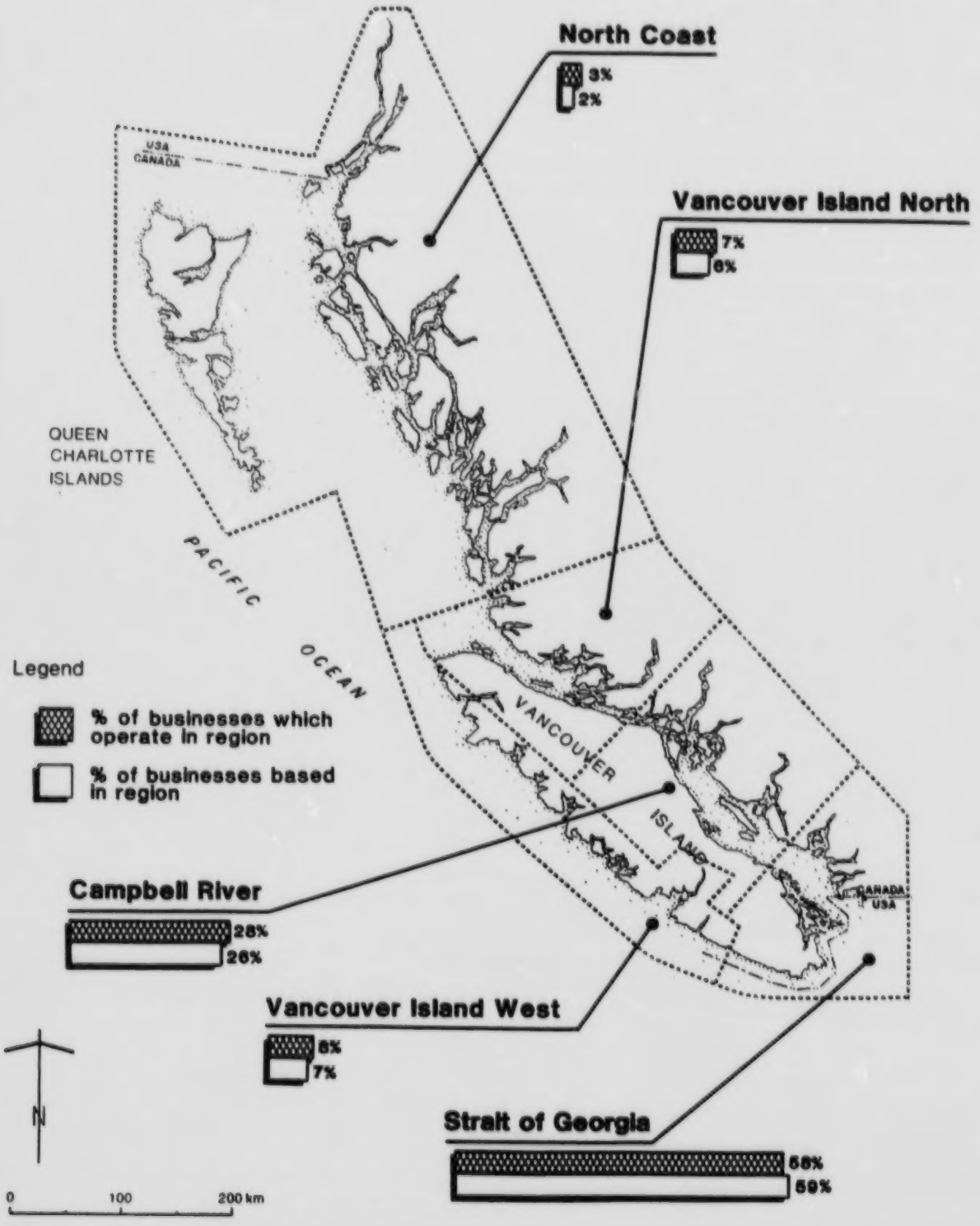


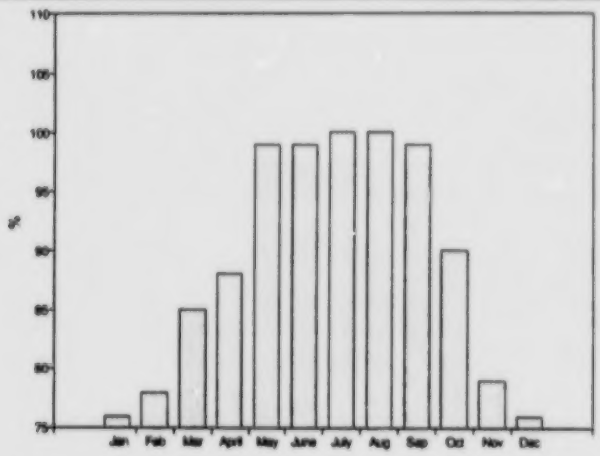
Exhibit 6.1

Distribution of Marinas

Seasonality

The marina sector was largely characterized by operations which run year round (76%). The key season when all marinas were in operation (Exhibit 6.2) was May to September. Year round operations provided important long term moorage for the recreation boater living within the community. Those marinas which catered primarily to the transient boater shut down during the winter when the level of recreational boating effort was low.

Exhibit 6.2: Months of Operation - Marinas



Source: Marine Tourism Operators Survey, 1989.

Specialization

The majority of marina revenues were derived from actual marina activities (86%). A further 7% of sector revenues were generated by sportfishing and less than 2% were generated by other marine activities such as power cruising, wildlife viewing, and scuba diving. Sixty-one percent (61%) of the marina operators only generated revenue from marina services. Sportfishing revenues were generated by one third of the operators.

Activities Offered

Marinas provided a "base" for a variety of client activities. According to the operators, the three dominant activities were sportfishing, power cruising and sail cruising. The majority of marinas (85%) offered sportfishing as part of their marine operation. Although 67% offered power cruising and 54% offered sail cruising, these were not important revenue sources for the marina sector. Similarly, wildlife viewing (30%) and scuba diving (25%) were offered as related activities but without generating significant revenues.

	Respondents Which Offer Activity %
Sportfishing	85
Power Cruising	67
Sail Cruising	54
Wildlife Viewing	30
Scuba Diving	25
Swimming	21
Intertidal Harvesting	16
Coastal History	13
Whale Watching	12

Facilities

The primary product which marinas provided was moorage, along with a variety of supporting services ranging from fuel and boating supplies to showers and laundry. Virtually all marinas offered both short and long term moorage as well as boats for rental and/or charter use. Fuel, shower facilities, boat launch facilities, boat supplies and laundry services were all offered by more than 50% of British Columbia's private marinas. Together with moorage and boat rental/charters, these facilities comprised the primary facility mix for the marina sector. Some marinas also offered specialty services such as restaurants (37%), guides (33%), and boat repairs (36%).

The average number of berths provided by a marina was 179. This estimate was influenced by the larger marina operations (14% of marinas offer more than 300 berths). The median by operation was closer to 100 given that about 43% of all marinas offered 100 berths or less. On the west coast of Vancouver Island the marinas were smaller with an average of 110 berths. In the northern areas of the coast where there were fewer marinas the average number of berths was higher than the sector average (210 berths). The larger marinas (greater than 200 berths) tended to be full service facilities and offered a full range of facilities, fuel, moorage, boat repairs, provisioning and onshore facilities.

	Respondents Providing Facilities %
Short term moorage	90
Long term moorage	87
Bait	81
Parking	76
Garbage	76
Fuel	63
Showers	63
Boat Launch	54
Boating Supplies	54
Laundry	52
Restaurant	37
Boating Repairs	36
Guides	33
Boating Sales	18

Forty-nine percent (49%) of the marinas provided boat rentals or charters. Most of the boats were small with 39% of those operators which provided boats maintaining about 11 boats per business of less than 20'. A further 22% of the operators provided boats within the range of 20-39'. For the most part, the boats which marinas offered were small and primarily used for boat rentals. The majority of the marina business is, in fact, concentrated on the provision of moorage and related services for private owners.

	Average No. Boats	Average No. Passengers	% of Respondents
<20'	11	3	39
20-39'	5	5	22
40-59'	2	7	3
60-100'	1	28	3

Only 24% of the marinas offered accommodation as part of their operation with an average capacity of 25 beds. About 11% of the marinas offered hotel beds averaging about 55 beds per business. Cabin beds were offered by 12% of the marinas with the number of beds per business averaging about 18.

Product Pricing

Less than half of the marina operators offered boat charters or rentals. Of those, 40% provided bareboat charters and 25% provided skippered/guided charters. For those operators offering bareboat charters, 93% priced the charter by vessel. The average hourly rate was $17 and $90 for the daily rate. Eighty-one percent (81%) of the skippered/guided charters were priced by vessel (81%) and the average hourly rates was $41.

Moorage rates varied depending on the type of moorage. The average short term moorage rates was $0.50 per foot per day. For long term moorage, the average monthly rate was $3.50 per foot per month and average yearly rate $3.90 per foot per month. Additional services offered to the boater included water, electricity and sewage pump out. The prices for these services varied significantly between facilities and were often offered free of charge.

6.2 Economic Profile

Revenues. Total sector revenues from the 165 operators were an estimated $101.7 million, or $616,000 per operation in 1989 (Exhibit 6.3). Eighty-six percent (86%) of this total came from marina services. The percentage breakdown of the revenue base of the sector is:

Exhibit 6.3: Economic Profile of Marina Operations in British Columbia, 1989.

	Total ($ million)[c]	Average Per Operation ($ '000)[c]
No. Operators	**165**	**1**
Revenues	**$101.7**	**$616**
Revenue Distribution		
Wages & Salaries Paid[a]	$20.4	$123
Purchases Goods & Services	$20.3	$123
Capital Return (Including Interest Payments, Depreciation, Taxes, Profit)	$61.0	$370
Total	**$101.7**	**$616**
Purchase Cost of Assets		
Land	$62.4	$378
Facilities	$108.9	$660
Boats	$5.7	$34
Other	$14.3	$87
Total	**$191.3**	**$1,159**
1989 Capital Expenditures[b]	**$19.9**	**$120**
Market Value of Assets	**$296.0**	**$1,794**
Positions/Jobs (No.)		
January 1989	840	5.1
April 1989	1,130	6.8
July 1989	2,050	12.4
October 1989	980	5.9
Person-Years Employment (No.)	**1,250**	**7.6**

a. Includes a wage to the owner operator
b. Included in purchase cost of assets.
c. Unless otherwise indicated.

Source: Extrapolated to total sector from 1989 Marine Tourism Survey.

Activity	% of Revenues
Marina Services	85.7
Sportfishing	6.8
Wildlife Viewing	0.7
Power Cruising	0.9
Sail Cruising	-
Scuba Diving	0.2
Kayaking	0.1
Other	5.6

Employment. Peak summer employment in the sector was 2,050 jobs. Many of these jobs were seasonal. The result is that the sector provided 1,250 person-years of employment (based on averaging the four seasonal employment levels). An estimated 27% of this employment was part-time as opposed to full-time employment.

The average year-round employment level was 7.6 people per operation. This translates into an average revenue per employee of $81,000 for the sector.

Wages Paid. Wage income earned by employees in the sector represented $20.4 million in 1989 (Exhibit 6.3). As total employment was 1,250 person-years, the average annual wage rate was $16,300. This is lower than the provincial average annual wage of approximately $25,000 in 1989.

Many of the smaller operations were owner-operated and employed family labour. In these cases, the decision by the operator as to what wage to draw and what surplus to leave in the business was arbitrary. Also, some workers received free food and lodging, and accordingly received a lower wage. These factors, as well as the relatively high level of part-time labour, affected any wage comparison to the economy at large.

Investment. The total of all capital investment to date for the 165 operations on an original or purchase cost basis was an estimated $191.3 million in 1989. That is, the sector had invested approximately $1.90 for every $1 of annual revenue[1]. The bulk of the investment represents facilities (Exhibit 6.3).

Of the $191.3 million investment, $19.9 million was estimated to have occurred in 1989.

The current market value of marina operations, including land, facilities, boats and other equipment, was $296 million (as estimated by operators).

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[1] Investment refers to the original cost of all investment "associated" with the marina operation. Some of this investment may be used to generate revenues from other activities.

Supply Purchases. The sector provided linkages to other provincial economic sectors through the purchases of goods and services. In 1989, the sector purchased an estimated $20.3 million in supplies broken down approximately as:

	Purchases from Suppliers ($ millions)	% of Total
Food & Accommodation	1.4	7
Transportation	2.2	11
Marketing, Promotion, Travel	1.6	8
Maintenance	5.2	26
Administration	2.9	14
Other	7.0	34
Total	20.3	100

Of the $1.6 million expenditures on marketing, promotion and travel, 88% were made in the province. However, well over 95% of all other expenditures on goods and services were made in British Columbia.

Supply purchases represented 20% of the $101.7 million in sector revenue in 1989. Wages paid comprised another 20%. The residual (60%) represented a gross return to capital to cover interest payments on borrowed capital, a depreciation reserve for the recovery of capital, taxes including permits and licences, and after-tax profit or return to capital (Exhibit 6.3).

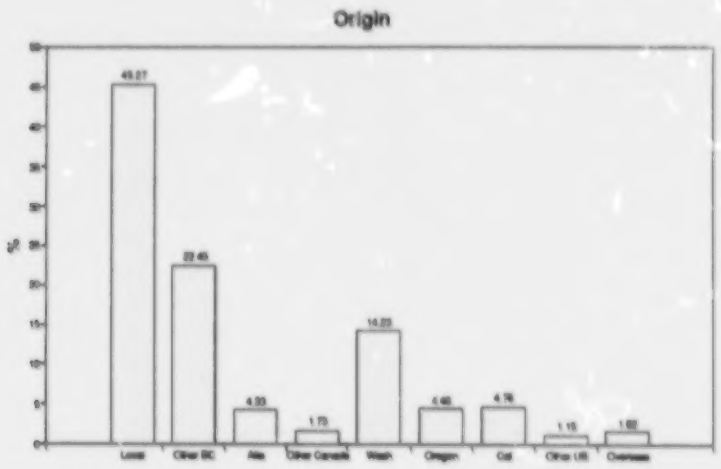
6.3 Market Profile

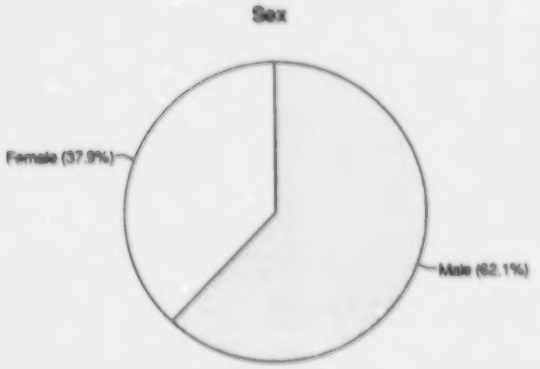
The majority of marina customers (74%) were Canadian. A smaller proportion (25%) were from U.S. markets. Marinas catered largely to British Columbia markets with 45% of all clients from local areas in the vicinity of the marina and a further 22% from other locations in British Columbia (Exhibit 6.4). Thirty-three percent (33%) of the operators reported that locals represent greater than 75% of their market share. The U.S. market was dominated by Washington residents which comprised 14% of the marina market. Oregon and California each generated 4-5% of British Columbia's marina customers while overseas markets comprised less than 2%.

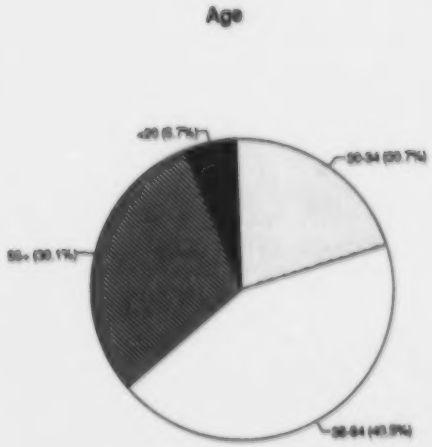
The typical age for the marina client was 35-54 years (44%), followed closely by clients who were 55 years of age or older (30%). The younger age groups were in the minority, with about 26% of all marina customers less than 35 years of age.

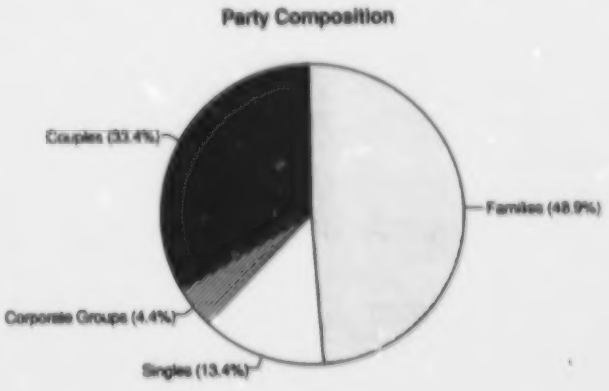
Sixty-two (62%) of all marina customers were male, a slightly lower percentage than for most of the sportfishing sectors described previously. Party composition was dominated by families (49%) and couples (33%). Corporate groups made up a very small proportion of the market at less than 5%.

Exhibit 6.4: Market Profile of Marinas, 1989









Marina operators were the most dependent on direct bookings of all of the sportfishing related sectors. About 6% of the bookings were generated by other sources.

	% of Bookings
Direct Sales	94
Charter Brokers	1
Wholesalers	2
Travel Agents	1
Other	2

The marinas had developed loyal clients, indicated by the 66% repeat business level. In fact, 50% of the marinas indicated that their repeat business as 75% and higher. In part, this high percentage was a reflection of the local clients who purchase long term moorage. It was also a reflection of the travel pattern of the recreational boater who cruises to the same destinations each year.

6.4 Marketing

Of all marine tourism sectors, marinas spent the smallest proportion of their revenues (2%) on marketing. In 1989, the marina sector spent an estimated $1.6 million on marketing, about $9,700 per operation.

Marinas used a variety of tools to attract their clientele. Virtually all marinas (91%) identified word of mouth as a significant marketing tool. About two thirds of all marinas used magazine advertising and/or brochures as a marketing tool. About half of all marinas relied on Ministry of Tourism guides and/or promotional donations in their marketing efforts with slightly less than half using newspaper advertising.

	Respondents Who Use Marketing Tool %
Word of Mouth	91
Magazine Advertising	66
Brochures	63
Ministry Guides	52
Promotional Donations	50
Newspaper Advertising	44
Consumer Shows/Trade Shows	31
Contact by Phone	31
Direct Mail	23
Radio	16
Promotional Trips/Small Group Presentations	11

Marina operators reported that word of mouth was the most effective tool, followed by brochures and magazine advertising. There was a high degree of correlation between the incidence of using marketing tools and operator assessments of how effective they were, probably a reflection of the experience of marina operators (the majority of which have been in business for several years). Reliance on word of mouth as a marketing tool was consistent with the fact that the majority of marina clients were either in the local area or resident of British Columbia. Therefore, reputation amongst the boating community becomes an important factor for marinas.

The majority of marina marketing dollars were allocated to the British Columbia resident (76%) with a small but significant amount allocated to Washington State (18%). Other market origins together were only allocated about 6% of the marina marketing budget.

	% of Marketing Budget Allocated to:
B.C.	76
Alberta	1
Rest Canada	-
Washington	18
Oregon	2
California	3
Rest U.S.	-
Overseas	-

Collective marketing was less important for marinas than for the other marine tourism sectors. About 36% of marinas participated in collective marketing. Of those, the majority (67%) marketed through the regional tourism associations. Joint marketing with related associations (29%) and/or with other operators (21%) was also used by these operators. Some also undertook collective marketing with manufacturers (16%).

Marinas emphasized the quality of their facilities and services more than any other factor in their marketing. About 62% of marinas also emphasized the availability of fish, an indication of the importance which marinas placed on sportfishing. British Columbia's scenic coastline and the general quality of the marine experience in British Columbia played a less important role in marina marketing material, emphasized by less than half of all marinas.

Features Emphasized in Marketing	**Respondents %**
Quality of facilities and services	81
Availability of fish	62
British columbia's scenic coastline	48
Quality of marine experience	36
Availability of wildlife to view	18
Experience/professionalism of guides	18
British Columbia's wilderness experience	14

Marina operators regarded Washington and Alaska as their primary competitors, followed by Oregon and California. Operators identified scenic coastline beauty, unspoiled wilderness and availability of fish as the three most important reasons why clients would choose British Columbia over other destinations.

7.0 Power Cruising

There were a total of 70 businesses which offered power cruising product along the B.C. coastline. The product ranged from short (2 to 4 hour) harbour tours to a day or overnight cruise along the coast aboard a power vessel. The vessels varied in length from small boats which were typically used for short day trips, to large vessels greater than 100' in length which could be used for day trips serving a larger number of passengers or overnight trips accommodating a smaller number of passengers.

The vessels could be bareboat or skippered charters. Bareboat charters consisted of vessels that were fully equipped (except for provisions) which the clients could take out on their own. Most businesses would ensure that the clients were capable of taking the vessel out on their own before allowing them to charter. Due to the cost of the vessels most bareboat charters were comprised of smaller boats (less than 50'). The larger vessels typically were skippered charters where one or several crew members operated the vessel. Passengers aboard these vessels purchased a cruise which was predetermined by the skipper (ie, a tour in the Queen Charlotte Islands or a harbour tour). Individuals who bareboat chartered determined their own cruising destination. Two popular destinations for bareboat charters were the Gulf Islands and Desolation Sound, both relatively safe areas for boating.

7.1 Product Profile

Geographic Distribution

The majority of power cruising operations (83%) were based in the southern Strait of Georgia area (Exhibit 7.1). The west coast of Vancouver Island and the North Coast each served as the base of operations for 9% of the remaining power cruising operations. Sixty-three percent (63%) of the operators were based out of Vancouver and 6% out of Victoria.

In contrast to where the businesses were based, the power cruising product was offered throughout the coastline. The majority (80%) of the businesses operated cruises in the southern Strait of Georgia area, but many also operated cruises along the northern and eastern coastline of Vancouver Island (Exhibit 7.1).

Twenty-three percent (23%) of the operators cruised from the southern end of the Strait of Georgian right up to the northern end of Vancouver Island, and an additional 10% of the operators cruised from Vancouver to Alaska. Enroute, these operators would drop off and pick up new clients that had either driven or flown in to meet the vessel. These operators were then able to offer their clients a variety of cruising destinations during the season. Forty-five percent of the operators only operated in the southern Strait of Georgia area. These operators could be divided into two groups; those who only offered harbour tours in either Vancouver or Victoria, and those who offered multi-day charters. Popular destinations for these charters included the Gulf Island and the Sunshine Coast.

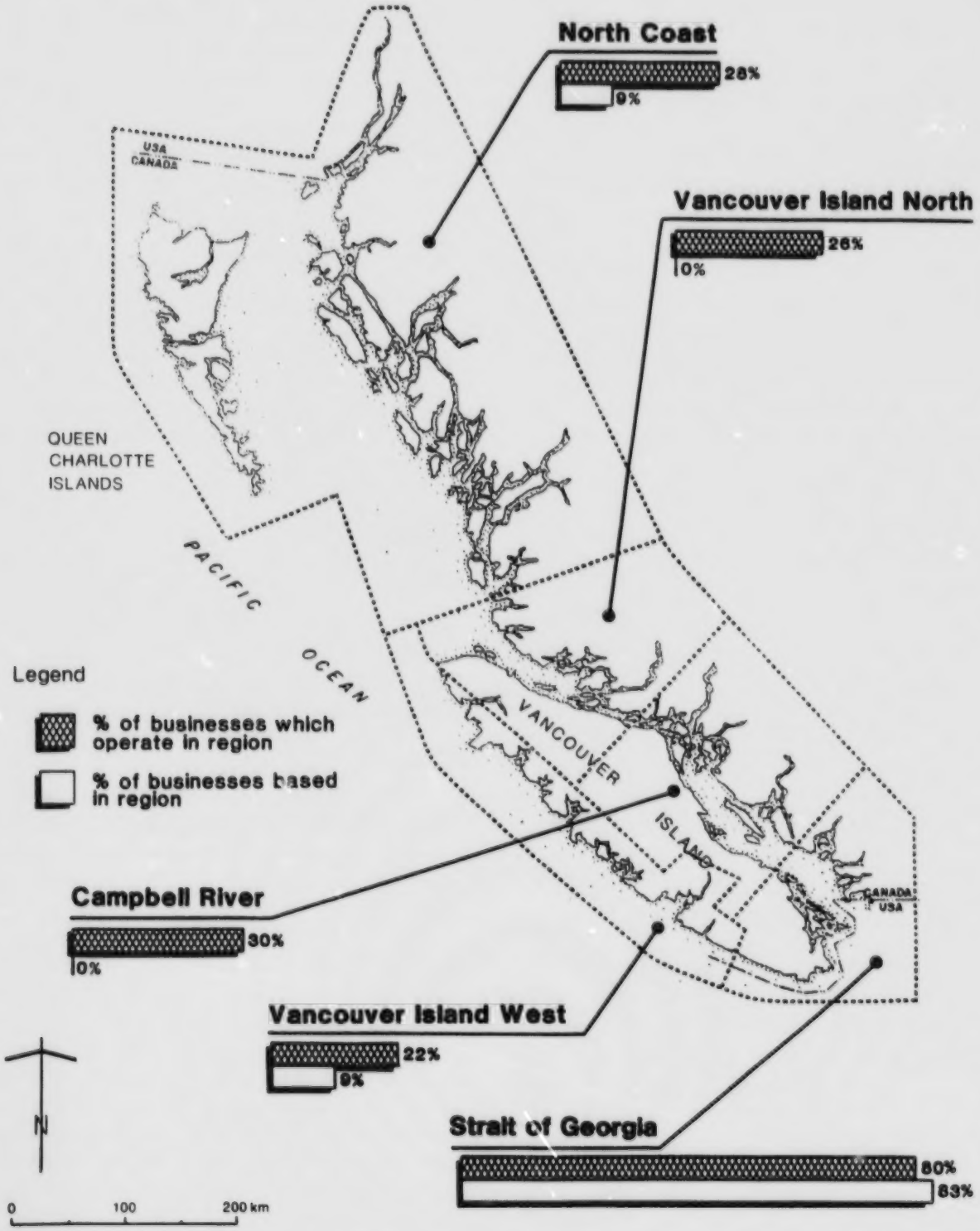


Exhibit 7.1

Distribution of Power Cruising

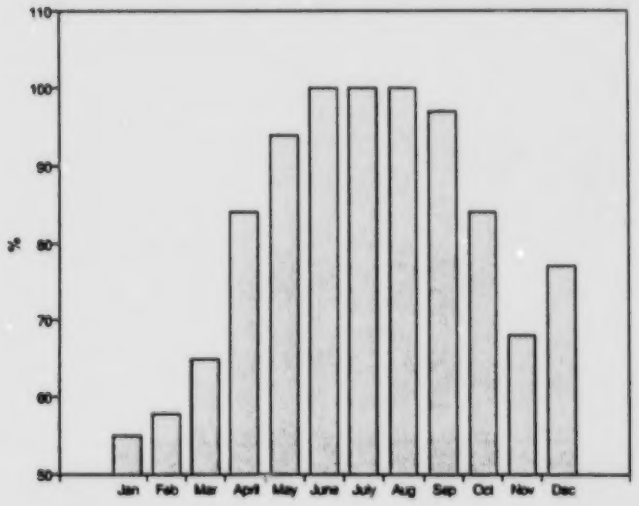
Age of Operation

Since 1986 the number of power cruising businesses has almost doubled. Forty-eight percent (48%) of the businesses started up in the last five years. Seventy-four percent (74%) were less than 11 years old. The average age of operation was 9.

Seasonality

The primary season of operation for power cruising was April to October. Fifty-five percent (55%) of power cruising businesses operated year-round, with the majority of those located in major urban centres. December was an important month for many power cruising operations (Exhibit 7.2), particularly those located in the vicinity of Vancouver and Victoria. Product offerings included carol ship cruises and related holiday season cruise events. Power cruising operations which were based in northern areas of British Columbia were generally closed between October and April.

Exhibit 7.2: Months of Operation - Power Cruising



Source: Marine Tourism Operators Survey, 1989

Specialization

About 82% of the revenues of this sector were derived from the power cruising product itself. A further 6% were generated by sportfishing activity and the remainder of the power cruising sector revenues were generated by other activities. Just over one half (52%) of the power cruising operators reported that 100% of their revenues were obtained through power cruising only. Thirty-two percent (32%) of the operators generated a portion of their total revenues from sportfishing.

Activities Offered

Several supplementary activities were offered by power cruising operators, either as part of their product package or as ancillary activities. Given that 82% of this sector's revenues were generated by power cruising packages, these other activities did not generate significant revenues. The majority of operators (71%) offered sportfishing and/or coastal history as supplementary activities. Sixty-eight percent (68%) offered wildlife viewing of which 55% constituted whale watching. Less than half of the operators offered such activities as scuba diving, kayaking, native culture and related activities. It is interesting to note that coastal history played an important role as a supplementary activity and was regarded by the majority of operators as an important ingredient of their overall power cruising product, along with sportfishing and wildlife viewing.

	Respondents Which Offer Activity %
Power Cruising	100
Sportfishing	71
Coastal History	71
Wildlife Viewing	68
Whale Watching	55
Native Culture	39
Scuba Diving	32
Intertidal Harvesting	29
Wind Surfing	19
Kayaking	16

Facilities

Power cruising operations primarily consisted of one or many boats, plus guided skippers. All of the operators surveyed provided skippered charters and only 17% provided bareboat charters. Depending on the size of vessel, the skippered charters required one crew member (the skipper) or many crew members, some of which acted as guides to the passengers. Very few of the power cruising operators provided moorage (10% with short term moorage and 3% with long term moorage). About 16% provided restaurant facilities; which could include a pub.

The power cruising sector was typified by operations that utilized larger vessels and owned more than one vessel. For instance, 48% of operators operated vessels of 40-59' in length with each business owning an average of 3 boats. A significant number of operators (39%) operated boats in access of 100' and typically owned an average of 2 boats of this size. Thus, more than half of all businesses operated boats in excess of 40' which accommodated an average number of passengers ranging from 18-85.

Vessels Length	Average No. Boats	Average No. Passengers	% of Respondents
<20'	5	3	23
20-39'	2	8	23
40-59'	3	18	48
60-100'	3	54	23
100+	2	85	39

Overnight clients were commonly accommodated on board the vessel. Fifty-five percent (55%) of the operators offered on-board accommodation averaging 8 beds per boat. Only 10% of the power cruising operations offered landbased accommodation and the average number of beds per business was 24.

Product Pricing

All of the power cruising operators provided skippered charters and only 17% provided bareboat charters. Most (84%) skippered charters were priced by vessel and varied by size of vessel. The average per vessel costs were:

	20-59' Vessels	60-100' Vessels
Average price per hour	$88	$350
Average price per day	$270	$1,900
Average price per night	$500	$2,500

7.2 Economic Profile

Revenues. Total sector revenues from the 70 operators were an estimated $22.3 million, or $318,000 per operation in 1989 (Exhibit 7.3). Eighty-two percent (82%) of this total came from power cruising packages. The percentage breakdown of the revenue base of the sector was:

Activity	% Revenue
Power Cruising	82.1
Sportfishing	6.1
Wildlife Viewing	1.0
Sail Cruising	1.4
Scuba Diving	-
Kayaking	1.3
Marina	0.8
Other	7.3

Employment. Peak summer employment in the sector was 690 jobs. Many of these jobs were seasonal; the sector provided 430 person-years of employment (based on averaging the four seasonal employment levels). An estimated 57% of this employment was part-time as opposed to full-time employment.

The average year-round employment level was 6.1 people per operation. This translates into an average revenue per employee of $52,000 for the sector.

Wages Paid. Wage income earned by employees in the sector represented $6.6 million in 1989 (Exhibit 7.3). As total employment was 430 person-years, the average annual wage rate was $15,300. This is lower than the provincial average annual wage of approximately $25,000 in 1989.

Many operations were owner-operated and employed family labour. In these cases, the decision by the operator as to what wage to draw and what surplus to leave in the business was arbitrary. Also, some workers received free food and lodging, and accordingly received a lower wage. These factors, as well as the relatively high level of part-time labour, affected any wage comparison to the economy at large.

Investment. The total of all capital investment to date for the 70 operations on an original or purchase cost basis was an estimated $42.6 million in 1989. That is, the sector had invested approximately $1.90 for every $1 of annual revenue[1]. The bulk of the investment represents purchases of boats (Exhibit 7.3).

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[1] Investment refers to the original cost of all investment "associated" with the power cruising operation. Some of this investment may be used to generate revenues from other activities.

Exhibit 7.3: Economic Profile of Power Cruise Operations in British Columbia, 1989.

	Total ($ million)[c]	Average Per Operation ($ '000)[c]
No. Operators	**70**	**1**
Revenues	**$22.3**	**$318**
Revenue Distribution		
Wages & Salaries Paid[a]	$6.6	$94
Purchases Goods & Services	$12.7	$181
Capital Return Including Interest Payments, Depreciation, Taxes, Profit	3.0	$43
Total	**$22.3**	**$318**
Purchase Cost of Assets		
Land	$0.1	$1
Facilities	$1.6	$23
Boats	$39.5	$564
Other	$1.4	$20
Total	**$42.6**	**$608**
1989 Capital Expenditures[b]	**$5.6**	**$80**
Market Value of Assets	**$64**	**$914**
Positions/Jobs (No.)		
January 1989	255	3.6
April 1989	360	5.1
July 1989	690	9.9
October 1989	410	5.9
Person-Years Employment (No.)	**430**	**6.1**

a. Includes a wage to the owner operator
b. Included in purchase cost of assets.
c. Unless otherwise indicated.

Source: Extrapolated to total sector from 1989 Marine Tourism Survey.

Of the $42.6 million investment, $5.6 million was estimated to have occurred in 1989.

The current market value of power cruising operations, including land, facilities, boats and other equipment, was $64 million (as estimated by operators).

Supply Purchases. The sector provided linkages to other provincial economic sectors through the purchases of goods and services. In 1989, the sector purchased an estimated $12.7 million in supplies broken down approximately as:

	Purchases from Suppliers ($ millions)	% of Total
Food & Accommodation	1.7	13
Transportation	2.2	17
Marketing, Promotion, Travel	1.1	9
Maintenance	1.6	13
Administration	1.8	14
Other	4.3	34
Total	12.7	100

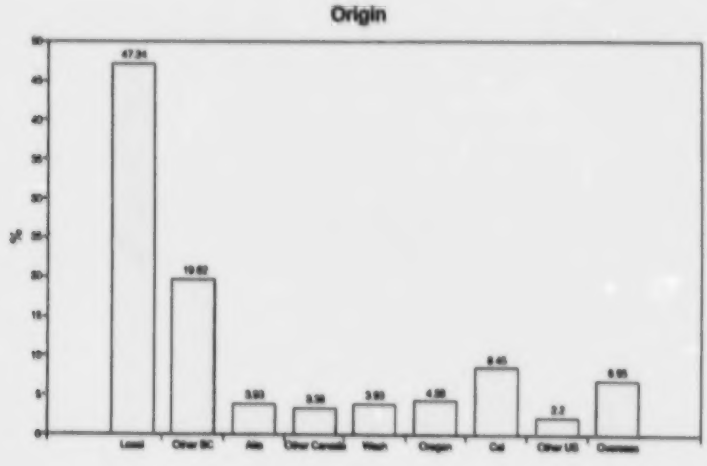
Of the $1.1 million expenditures on marketing, promotion and travel, 85% were made in the province. However, well over 95% of all other expenditures on goods and services were made in British Columbia.

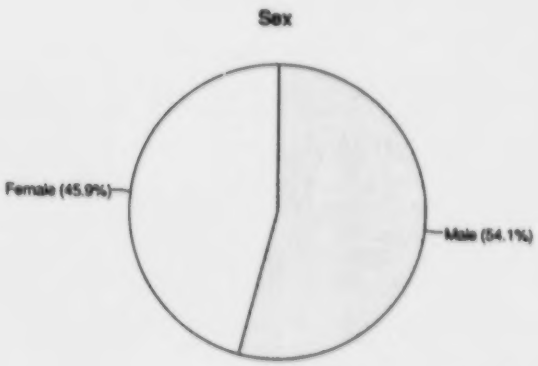
Supply purchases represented 57% of the $22.3 million in sector revenue in 1989. Wages paid comprised another 30%. The residual (13%) represented a gross return to capital to cover interest payments on borrowed capital, a depreciation reserve for the recovery of capital and taxes including permits and licences, and after-tax profit or return to capital (Exhibit 7.3).

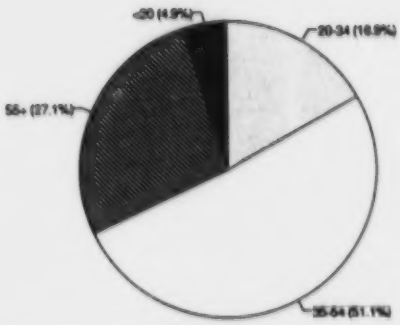
7.3 Market Profile

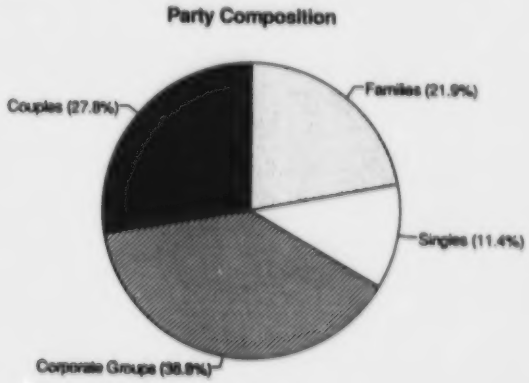
The greatest market share for the power cruising sector was the Canadian resident (74%), with U.S. residents comprising about 19% of the market. The local market is important to this sector as it comprised about 47% of the overall market (Exhibit 7.4). For 30% of the operators the local market share represented greater than 75% of the total. Operators attracted a further 20% from other locations in British Columbia and 3-4% each from Alberta and the rest of Canada. California was the most important U.S. market attracting 8% of clients followed by Washington and Oregon at about 4% each. The overseas market for power cruising was 4% from European countries and 3% from Asia.

Exhibit 7.4: Market Profile of Power Cruising, 1989









Source: Marine Tourism Operators Survey, 1989.

Most of the power cruising clients were 35 years of age or older with 51% between the ages of 35-54 years and 27%, 55 years or older. As is typical of other marine tourism sectors, less than 1/4 of all clients were below 35 years of age. Male and female customers were almost equally important to power cruise operators with males comprising 54% of the client base. A surprising 39% of the market was comprised of corporate groups, higher than most other marine tourism sectors with the exception of sportfishing lodges. Couples and families were the next most important market sectors (28% and 22% respectively).

Although direct sales was the main method for booking charters, charter brokers played an important role. Twenty-three percent (23%) of the bookings were generated by charter brokers, higher than all of the other marine tourism sectors.

	% Bookings
Direct Sales	56
Charter Brokers	23
Wholesalers	3
Travel Agents	4
Other	14

Power cruising operators had a high incidence of repeat clients. Overall, the average for the sector was 48%.

7.4 Marketing

Power cruising operators devoted about 5% of their revenues to marketing. The sector spent an estimated $1.1 million in 1989 on marketing, an average of $15,000 per operation.

The marketing tools of preference by operators were brochures and word of mouth. These were used by 94% and 87% of the operators respectively. The next most frequently used tools included client contact by phone, charter brokers, direct mail, advertising in Ministry of Tourism guides, and promotional donations.

	Respondents Who Use Marketing Tool %
Brochures	94
Word of Mouth	87
Contact by Phone	55
Charter Brokers	48
Promotional Trips/Small Group Presentations	45
Direct Mail	42
Ministry of Tourism Guides	42
Promotional Donations	42
Magazine Advertising	39
Complimentary Trip for Travel Writers	36
Consumer Shows/Trade Shows	29
Newspaper Advertising	29
Other	36

Consistent with their selection of tools, power cruise operators regarded word of mouth as the most effective marketing technique followed closely by brochures. All remaining advertising channels were regarded as significantly less effective.

The majority of the marketing budget of power cruise operators was allocated to the British Columbia resident (86%). This was followed by 4% of the budget for California residents and 3% each for Washington State and overseas markets.

	% of Marketing Budget Allocated to:
B.C.	86
Alberta	1
Rest Canada	1
Washington	3
Oregon	2
California	4
Rest U.S.	-
Overseas	3

Collective marketing was an important marketing channel for the majority of power cruise operators (58%). In particular, those operators who participated in collective marketing relied primarily on regional tourism associations (39%) and marketing collaborations with other charter operators (32%). Less important was collective marketing with associations (16%).

Power cruising operators regarded the quality of the marine experience as the most important feature to be emphasized in their marketing (81% of operators). Operators also featured the British Columbia scenic coastline and the quality of facilities and services (68% and 65% respectively) in their marketing materials. Only a minority emphasized such attributes as the wilderness experience, the availability of fish, and professional standards.

Features Emphasized in Marketing	Respondents %
Quality of marine experience	81
British Columbia's scenic coastline	68
Quality of facilities and services	65
Affiliations/professional standards	29
British Columbia's wilderness experience	23
Availability of fish	23
Experience/professionalism of guides	6
Availability of wildlife to view	6

In the opinion of power cruise operators, Washington was the key region with which they must compete. Some operators regarded Alaska and California as important competitors (though less important than Washington) followed by Mexico and power cruising opportunities in the rest of Canada (that is, the Great Lakes). From an operator perspective, their clients choose British Columbia over other destinations primarily because of scenic qualities, and the unspoiled wilderness. Wildlife, and sportfishing opportunities were also factors, though not as important as the coast's scenic beauty.

8.0 Sail Cruising

There were 50 operators who offered sail cruising product, in the form of either bareboat or skippered sail cruising charters. A small portion of the businesses offered day sailing tours but the majority provided overnight charters. Similar to the power cruising product, the vessels which were used for bareboat charters were smaller (50' or less) than those used for skippered charters. Sailing vessel accommodated a fewer number passengers than power vessels.

Businesses which offered overnight skippered sailing cruises tended to tour the entire B.C. coastline. The operators were able to offer a variety of cruising destinations. For example, an operator could offer a tour from Vancouver to Port Hardy. At Port Hardy they would pick up a new group of clients and sail to Prince Rupert. From Prince Rupert the vessel can head north to Alaska or west to the Queen Charlotte Islands. As the vessel travelled the coastline new groups of passengers would be picked up. Not all operators would follow this pattern: some would only offer sailing tours out of a specific area, such as the Gulf Islands.

8.1 Product Profile

Geographic Distribution

Like power cruising, sail cruising operations were primarily based in the southern Strait of Georgia area (88%) with the Campbell River, west coast of Vancouver Island, and the North Coast regions serving as the base for 4% each of sail cruising operators (Exhibit 8.1). Fifty-eight percent (58%) of the operators were based out of Vancouver and 8% out of Victoria. Sail cruising operators offered a greater variety in their cruising itineraries than power cruising operators. A greater number of operators offered cruises throughout all regions of the coast (Exhibit 8.1). Only 16% of the operators limited their product to the southern Strait of Georgia area. Forty-seven percent (47%) of the operators toured from the southern Strait of Georgia area through to the top end of Vancouver Island, and an additional 5% cruised beyond to Alaska. Sixteen percent (16%) of the operators provided cruises in the southern Strait of Georgia areas and the west coast of Vancouver Island. Popular destinations included Barkley Sound and the Gulf Islands. An additional 16% of the operators offered packages to cruise the Queen Charlotte Islands.

Age of Operation

The sail cruising sector was much younger than the power cruising sector. Ninety-five percent (95%) of operators had been in business less than 11 years and 39% less than 6 years. The average age of operation was 6 years.

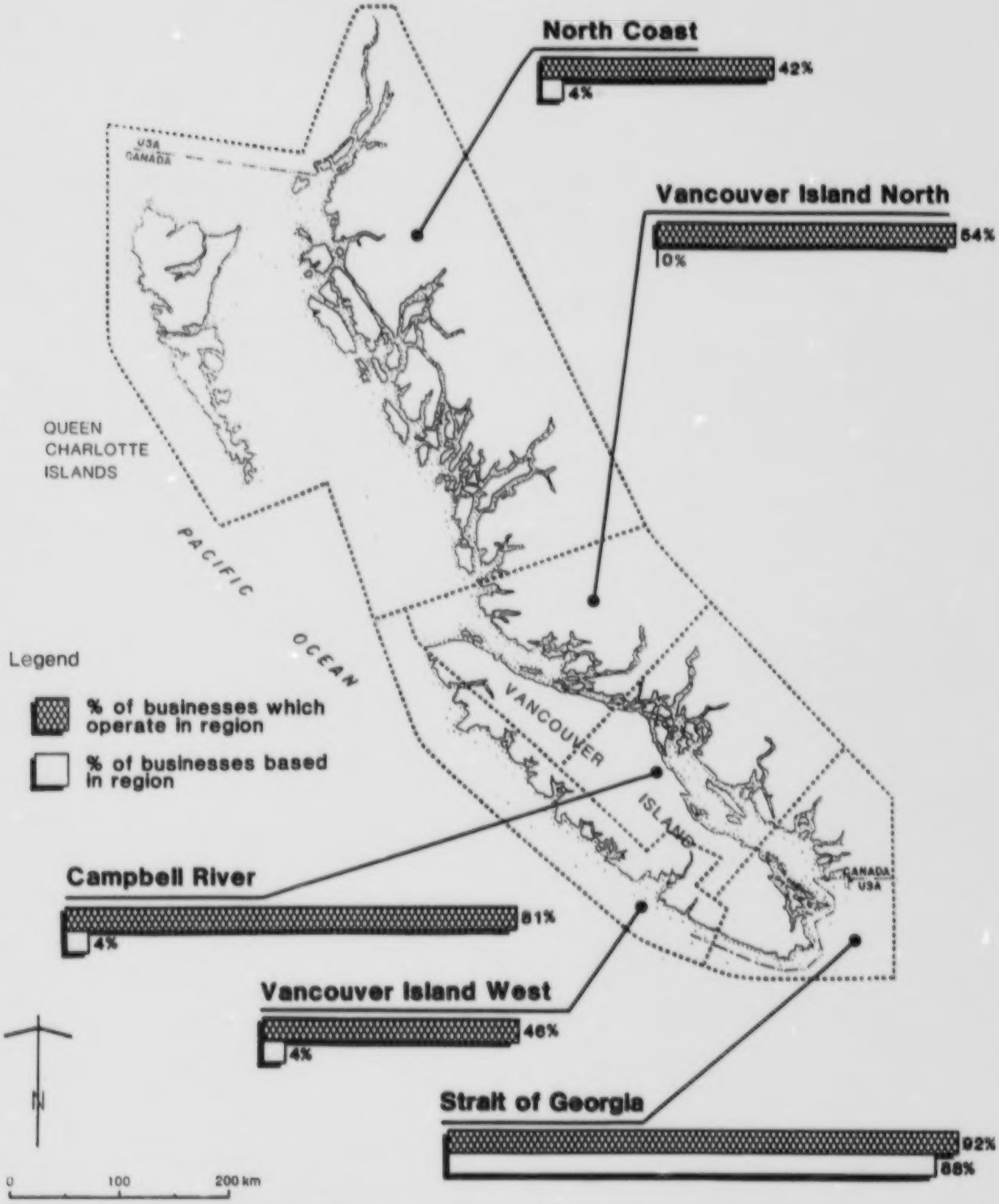


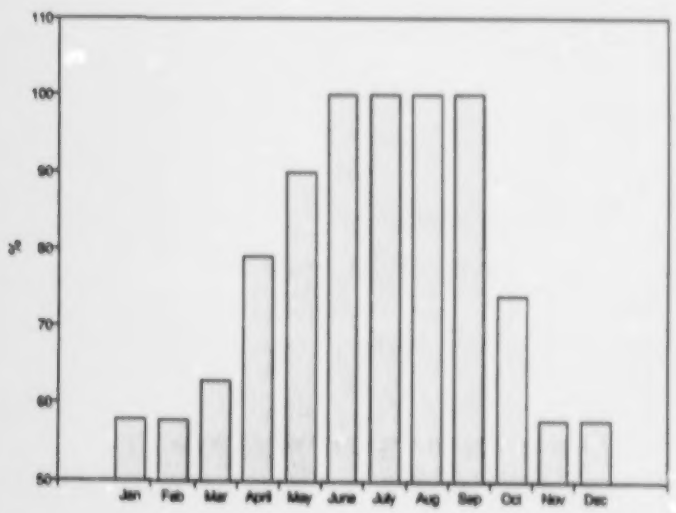
Exhibit 8.1

Distribution of Sail Cruisin

Seasonality

Sail cruising operations had a similar seasonal profile to their counterpart power cruising businesses. The peak months were April to October (Exhibit 8.2) with about 58% of all operators operating year-round. Unlike power cruise operators, December was not as significant a month in that it did not attract additional sail cruising activity beyond that offered in January, February and November. All sail cruising operations were open from June through September.

Exhibit 8.2: Months of Operation - Sail Cruising



Source: Marine Tourism Operators Survey, 1989

Specialization

The primary revenue producing activity for this sector was sail cruising, accounting for 86% of sector revenues. Wildlife viewing accounted for a further 3% with all other activities contributing about 2% or less. Just under one half (47%) of the operators generated 100% of their revenues from sail cruising.

Activities Offered

In addition to sail cruising, operators offered a variety of activities either as part of their sail cruising product or as ancillary activities. From the profile of activities shown below, it is clear that the majority of operators offered a specialized sail cruising package which incorporated wildlife viewing (63% of operators), coastal history (53%) and sportfishing (47%). Many operators also offered whalewatching (42%), boating school activities (42%), and native culture (37%) as part of their packaging.

	Respondents Offering Activity %
Sail Cruising	100
Wildlife Viewing	63
Coastal History	53
Sportfishing	47
Whalewatching	42
Boating School	42
Native Culture	37
Scuba Diving	21
Power Cruising	21
Wind Surfing	21
Intertidal Harvesting	21

Facilities

Sail cruising operations primarily consisted of more than one sailboat. Forty-two percent (42%) of the operations offered bareboat charters and 95% offered skippered charters.

Some of the operators provided facilities ancillary to recreational boating. A small number of operators offered such facilities as both short (16%) and long term (11%) moorage, boat repairs, (21%) and boat sales (11%). Of the 16% of operators who offered moorage, the average number of berths per operation was 17. All operators who offered moorage have facilities which were relatively small in size (less than 50 berths for any given facility).

The majority (53%) of operators offered smaller boats (20-39' in length). They generally owned several boats (an average of 12 per business) and these were typically used for bare boat chartering.

Vessel Length	Average No. Boats	Average No. Passengers	% of Respondents
<20'	1	4	5
20-39'	12	4	53
40-59'	2	6	47
60-100'	2	24	32

Forty-seven percent (47%) of operators provided boats in the 40-59' range, accommodating an average of 6 passengers. These operators typically owned two boats per business. Almost one third of all sail cruising operators utilized larger boats (60-100' in length) which accommodated 24 passengers per boat. On average, operators in this group ran two boats per business and these larger vessels were chartered out as skippered vessels.

All of the accommodation provided by sail cruising operators was on-board the vessels and 95% of the operators provided on-board accommodation. The average number of beds per business was 38. Twenty-six percent (26%) of the companies owned more than one vessel and were able to accommodate in total 80 or more overnight passengers.

Product Pricing

Most (95%) sail cruising operators provided skippered charters and the most popular method for pricing these charters was by vessel (67% of operators). The average price varied by vessel size and for the larger vessels (60' or greater) was $1,300 per night. The smaller vessels were priced out at $200 per day or $540 per night.

Some operators (47%) priced their skippered sail charters by client. The average per client prices for these charters were $42 per day and $205 per night. Bareboat charters offered by 42% of the operators were priced out at $233 per night.

8.2 Economic Profile

Revenues. Total sector revenues from the 50 operators were an estimated $8.3 million, or $166,000 per operation in 1989 (Exhibit 8.3). Eighty-six percent (86.4%) of this total came from sail cruising packages. The percentage breakdown of the revenue base of the sector was:

Activity	% of Revenues
Sail Cruising	86.4
Sportfishing	0.1
Wildlife Viewing	3.4
Power Cruising	2.0
Scuba Diving	-
Kayaking	-
Marina	0.3
Other	7.8

Employment. Peak summer employment in the sector was 340 jobs. Many of these jobs were seasonal. The result is that the sector provided 215 person-years of employment (based on averaging the four seasonal employment levels). An estimated 40% of this employment was part-time as opposed to full-time employment.

The average year-round employment level was 4.3 people per operation. This translated into an average revenue per employee of $39,000 for the sector.

Exhibit 8.3: Economic Profile of Sail Cruise Operations in British Columbia, 1989.

	Total ($ million)[c]	Average Per Operations ($ '000)[c]
No. Operators	**50**	**1**
Revenues	**$8.3**	**$166**
Revenue Distribution		
Wages & Salaries Paid[a]	$1.9	$38
Purchases Goods & Services	$3.5	$70
Capital Return Including Interest Payments, Depreciation, Taxes, Profit	$2.9	$58
Total	**$8.3**	**$166**
Purchase Cost of Assets		
Land	$1.1	$22
Facilities	$0.3	$6
Boats	$19.4	$388
Other	$0.7	$14
Total	**$21.5**	**$430**
1989 Capital Expenditures[b]	**$1.8**	**$36**
Market Value of Assets	**$24.0**	**$480**
Positions/Jobs (No.)		
January 1989	145	2.9
April 1989	210	4.2
July 1989	340	6.8
October 1989	165	3.3
Person-Years Employment (No.)	**215**	**4.3**

a. Includes a wage to the owner operator
b. Included in purchase cost of assets.
c. Unless otherwise indicated.

Source: Extrapolated to total sector from 1989 Marine Tourism Survey.

Wages Paid. Wage income earned by employees in the sector represented $1.9 million in 1989 (Exhibit 8.3). As total employment was 215 person-years, the average annual wage rate was $9,000. This is much lower than the provincial average annual wage of approximately $25,000 in 1989.

Many operations were owner-operated and employed family labour. In these cases, the decision by the operator as to what wage to draw and what surplus to leave in the business was arbitrary. Also, some workers received free food and lodging, and accordingly received a lower wage. These factors, as well as the relatively high level of part-time labour, affected any wage comparison to the economy at large.

Investment. The total of all capital investment to date for the 50 operations on an original or purchase cost basis was an estimated $21.5 million in 1989. That is, the sector had invested approximately $2.60 for every $1 of annual revenue[1]. This ratio is high by tourism and outdoor recreation standards[2]. The bulk of the investment represented purchases of boats (Exhibit 8.3). Of the $21.5 million investment, $1.8 million was estimated to have occurred in 1989.

The current market value of sail cruising operations, including land, facilities, boats and other equipment, was $24 million (as estimated by operators).

Supply Purchases. The sector provides linkages to other provincial economic sectors through the purchases of goods and services. In 1989, the sector purchased an estimated $3.5 million in supplies broken down approximately as:

	Purchases from Suppliers ($ millions)	% of Total
Food & Accommodation	0.4	11
Transportation	0.1	3
Marketing, Promotion, Travel	0.5	14
Maintenance	1.0	29
Administration	0.7	20
Other	0.8	23
Total	3.5	100

Of the $0.5 million expenditures on marketing, promotion and travel, 81% were made in the province. However, well over 95% of all other expenditures on goods and services were made in British Columbia.

Supply purchases represented 42% of the $8.3 million in sector revenue in 1989. Wages paid comprised another 23%. The residual (35%) represented a gross return to capital to cover interest payments on borrowed capital, a depreciation reserve for the recovery of capital, taxes including permits and licences, and after-tax profit or return to capital (Exhibit 8.3).

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[1] Investment refers to the original cost of all investment "associated" with the sail cruising operation. Some of this investment may be used to generate revenues from other activities.

[2] The Economic Planning Group of Canada, Travel Industry Norms for the British Columbia Tourist Industry: A Manual of Development and Operational Norms for the British Columbia Tourist Industry, Report prepared for the Tourism Industry Association of British Columbia, 1986.

8.3 Market Profile

Like the power cruising sector, sail cruising operators attracted about 74% of their business from Canadian markets and 18% from U.S. markets. However, sail cruising markets were quite different in their distribution of market origins within Canada. Only 31% of the market was from local areas close to the operation (compared to 47% for power cruising) and about 16% was from other locations in British Columbia (Exhibit 8.4). Sail cruising operators attracted a significant share (23%) of their clients from Alberta. The important US markets were Washington and California at 6% each. Overseas markets totalled 8% of all clients and were comprised of 6% Asian and 2% European markets.

Customers were relatively evenly distributed between male and female (54% male). Typical of the entire marine tourism industry, the majority of customers for sail cruising were 35 years of age or older with 54% between 35-54 years of age. Clients less than 35 years of age comprised 28% of the market.

Party composition also illustrated different characteristics than those of power cruising. The sail cruising market was comprised of 48% couples and 25% families. Unlike power cruising, the corporate group market for sail cruising only comprised 9% of their market.

Charter brokers played a less important role for sail cruising bookings than for power cruising. Only 18% of the bookings were generated through charter brokers. Direct sales were the dominant method for booking clients.

	% of Bookings
Direct Sales	78
Charter Brokers	18
Wholesalers	1
Travel Agents	3

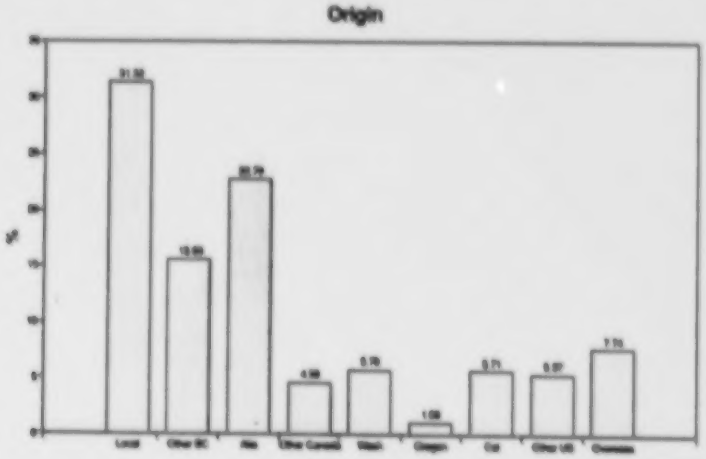
Repeat clients also played an important role for the sector. The average for the sail cruising operators was 41% repeat clientele.

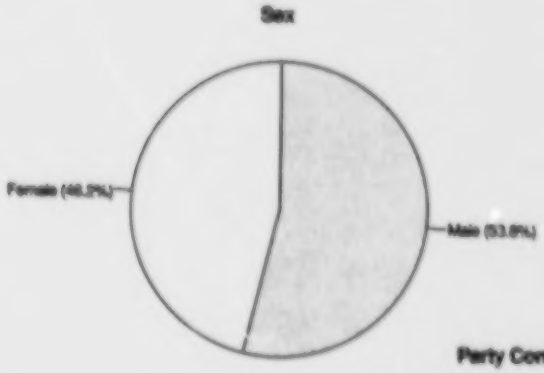
8.4 Marketing

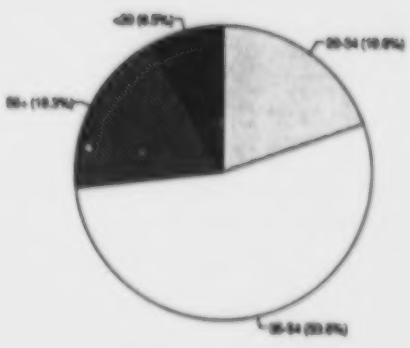
Sail cruising operators spent about 6% of their total sector revenues on marketing. The total sector spent an estimated $500,000 in 1989 on marketing, an average of $10,000 per operation.

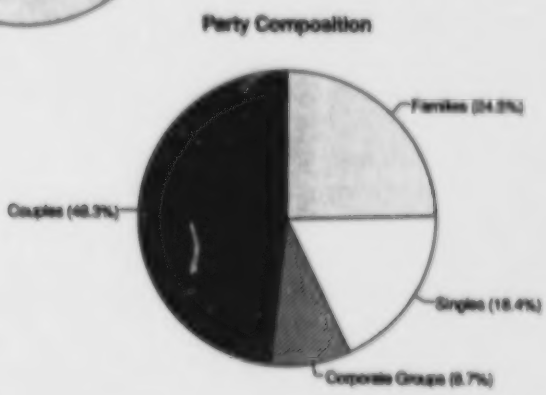
Three marketing channels were preferred by the sail cruising operators: brochures, word or mouth, and magazine advertising. The high level of specialized magazine advertising was typical of sail charter operations worldwide. Direct mail played an important role in marketing for 74% of operators. About one half of all operators also employed a variety of other marketing techniques ranging from Ministry of Tourism guides to charter brokers and consumer/trade shows. It is interesting to note that while 53% of the operators used charter brokers, the brokers only generated 18% of the bookings.

Exhibit 8.4: Market Profile of Sail Cruising Operations, 1989









Source: Marine Tourism Operators Survey, 1989.

	Respondents Who Use Marketing Tool %
Brochures	100
Word or Mouth	100
Magazine Advertising	95
Direct Mail	74
Ministry of Tourism Guides	53
Consumer Shows/Trade Shows	53
Contact by Phone	53
Charter Brokers	53
Newspaper Advertising	42
Complimentary Trip for Travel Writers	32
Promotional Donations	32
Promotional Trips/Small Group Presentations	26

Sail cruising operators reported that word of mouth was the most effective marketing tool followed by magazine advertisements, brochures and direct mail.

Sail cruising operators allocated their marketing budget more evenly than many other marine tourism sectors. About 59% of their marketing budget was allocated to B.C. residents with 11% to Alberta residents and 12% to markets in the rest of Canada. Thirteen percent (13%) of the marketing dollars were targeted to US markets.

	% Marketing Budget Allocated to:
B.C.	59
Alberta	11
Rest Canada	12
Washington	4
Oregon	2
California	5
Rest U.S.	2
Overseas	5

Collective marketing was an important marketing tool for the majority of sail cruising operators (58%). In particular, sail cruising operators participated in regional tourism association marketing (29%), and in collaboration with other charter operators (24%). Some operators also collaborated with transportation carriers in collective marketing approaches.

Based on the features they emphasized in their marketing materials, sail cruising operators regarded the province's scenic coastline as the most important attribute of the experience they offered, followed closely by the quality of the marine experience and the quality of services and facilities. About one third of all operators emphasized the province's wilderness experience and only 21% featured wildlife viewing in their marketing materials.

Features Emphasized in Marketing	Respondents %
British Columbia's scenic coastline	84
Quality of marine experience	68
Quality of facilities and services	68
British Columbia's wilderness experience	32
Availability of wildlife to view	21
Experience/professionalism of guides	16
Professionalism/standards	16

Fifty-eight percent (58%) of the operators identified the Caribbean Islands as British Columbia's primary competition. This was followed by Washington and California. Operators believed that clients from outside British Columbia choose the British Columbia sail cruising experience primarily because of the unspoiled wilderness and scenic quality. Less important, but still significant in the opinion of operators were wildlife viewing opportunities and the province's location relative to other destinations.

9.0 Wildlife Viewing

There were 50 operators who offered wildlife tours along the B.C. coastline. These operators used either sail or power vessels to provide wildlife viewing product. They were not included with the power or sail cruising sectors since they identified wildlife viewing as the activity which generated the greatest revenue for their businesses.

The wildlife viewing sector offered both day and overnight trips. For those businesses offering day trips, the size of the vessel was larger to accommodate a greater number of passengers. The overnight trips, on the other hand, were smaller vessels with on-board accommodation. Day trips were most often based out of popular coastal communities such as Victoria, Nanaimo, Tofino, Campbell River and Port Hardy.

Whalewatching was a very popular wildlife tour. The destinations for whalewatching included Barkley Sound through to Tofino for grey whales, and the Robson Bight area for killer whales. Seal lion tours based out of Vancouver, Victoria and Nanaimo were also popular. The wildlife viewing product was dictated by the migration patterns of the marine mammals. During March and April the grey whales were migrating north to Alaska and would be found off the west coast of Vancouver Island. From June through to September, killer whales would be found in the Robson Bight area.

In addition to offering tours to see specific species, there were operators who offered wildlife viewing tours to see a variety of birds and mammals. These tours were offered in areas where there were known concentrations of marine mammals or birds.

Most wildlife tours included some form of interpretation. This ranged from the skipper who guided or operated the vessel to invited tour guides who were bird or mammal specialists. Often the wildlife tour included visits to sites of historic or cultural significance. By combining human history with natural history the operators were able to provide their clients with a broader interpretation of coastline resources.

9.1 Product Profile

Geographic Distribution

Like their power and sail cruising counterparts, wildlife viewing operators were based primarily in the southern Strait of Georgia area (62%). Twenty-one percent (21%) were based out of Vancouver. Smaller numbers were located throughout the coastline with northern Vancouver Island and the west coast of Vancouver Island accounting for 17% and 13% respectively (Exhibit 9.1).

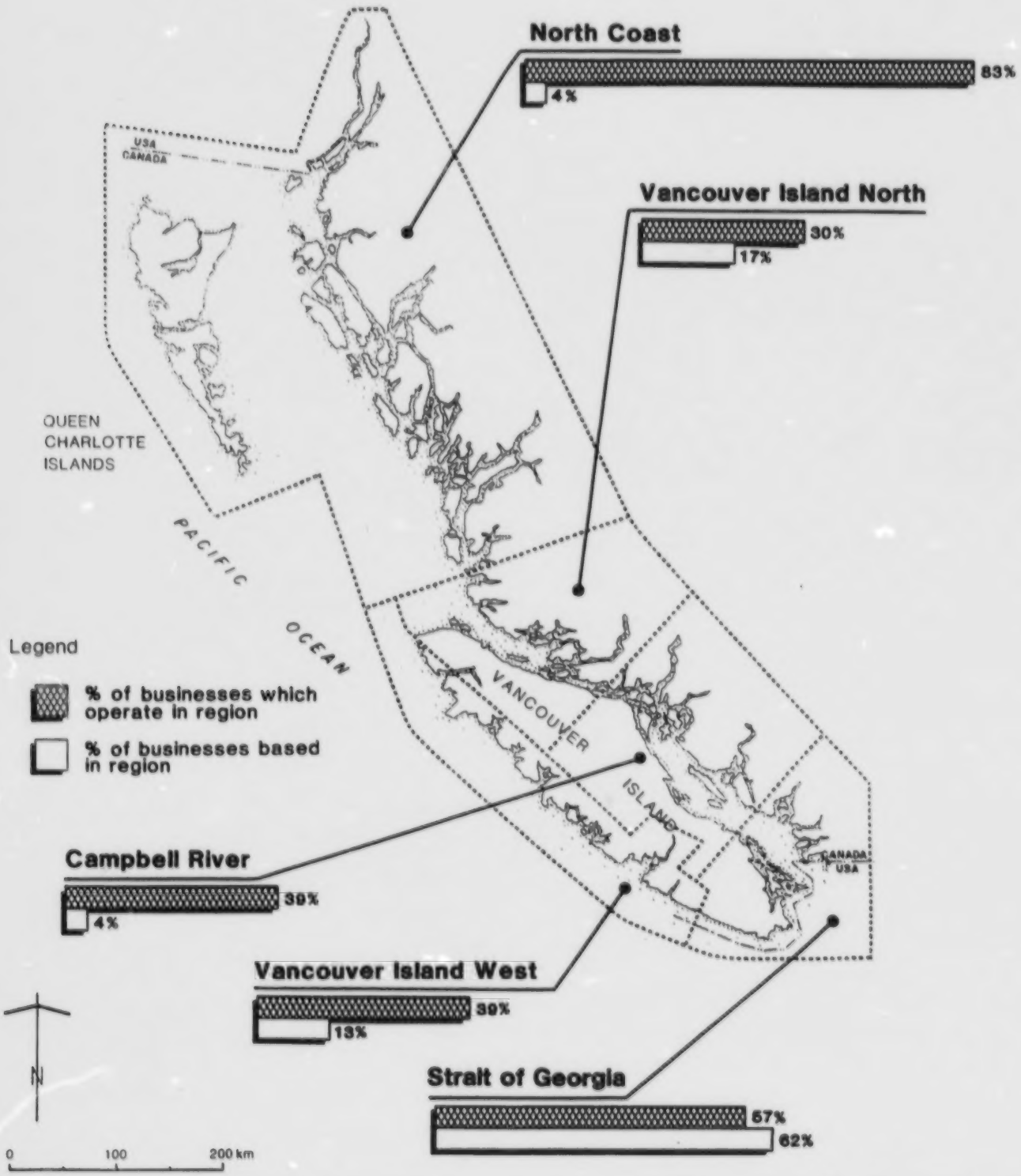


Exhibit 9.1

Distribution of Wildlife Viewing

Notwithstanding their base of operation, wildlife viewing businesses offered product throughout the province's coastal areas. In fact, the distribution of wildlife viewing product was unlike any other of the marine tourism sectors. Wildlife viewing was the only sector with the majority of the operators (83%) offering tours in the North Coast region. Thirty-five percent (35%) of these operators provided tours in the Queen Charlotte Islands. Many of the operators provided tours to a variety of destinations. Twelve percent (12%) operated from the southern end of the coast to the top of Vancouver Island and an additional 12% travelled further up to Alaska. On the west coast of Vancouver Island, the Barkley Sound/Tofino area was host to 29% of the operators who only offered tours in this region.

Age of Operation

The wildlife viewing industry was comprised of relatively new businesses. The majority (65%) of wildlife viewing operators had started their businesses within the last 5 years. The average age of operation, 7 years, did not reflect the new entries of businesses as 24% of the businesses had been in business for 11 or more years.

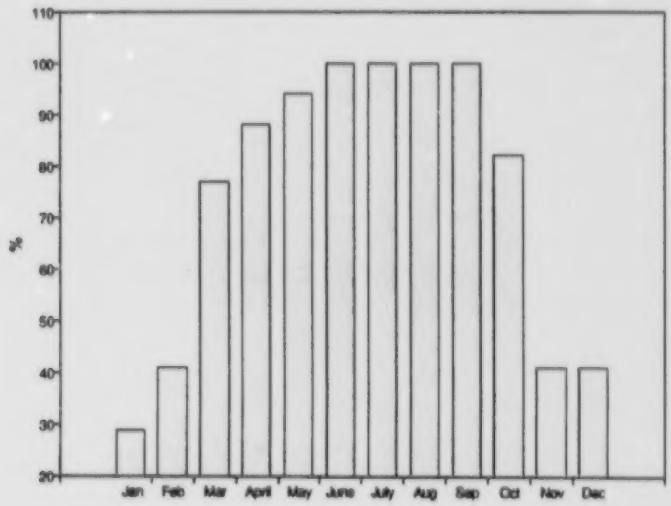
Seasonality

The primary season of operation for wildlife viewing businesses ran from March through to October when about 75% or more of the operators were open for business. During March and April the operators on the west coast of Vancouver Island offered whalewatching tours. Killer whalewatching tours were offered during the summer months in the Robson Bight area. All businesses were open from July through September, the peak months for this sector. A surprising number of businesses (30%) operated year round.

Specialization

Of all marine tourism sectors, wildlife viewing relied least on its primary activity for revenue generation. About 71% of all revenues were derived from wildlife viewing activity itself. An additional 12% was generated by sail cruising and 7% by sportfishing. Scuba diving, power cruising and sea kayaking were other activities offered by this sector, each generating about 2-3% of sector revenues. Only one third (35%) of the operators generated all of their revenues from wildlife viewing. Forty percent (40%) of the operators obtained some portion of their revenue from sportfishing.

Exhibit 9.2: Months of Operation - Wildlife Viewing



Source: Marine Tourism Operators Survey, 1989

Activities Offered

Wildlife viewing operators offered a range of activities in addition to their primary revenue generating sources. From the statistics reported below, it is evident that this sector incorporated coastal history, whalewatching and native culture as important components of their product mix. Additional supplementary activities of importance were sportfishing and scuba diving.

	% Respondents Who Offer Activity
Wildlife viewing	100
Whalewatching	88
Coastal History	88
Native Culture	71
Sportfishing	47
Scuba Diving	47
Power Cruising	35
Sail Cruising	35
Kayaking	29
Intertidal Harvesting	29
Wind Surfing	12

Facilities

The typical wildlife viewing operation was comprised of one or more boats which were skippered. Twelve percent (12%) of the operators provided short term moorage. However the facilities were small; an average of 3 berths.

Wildlife viewing operators typically owned smaller boats (less than 39'). Forty-one percent (41%) of operators offered boats less than 20' in length which accommodated an average of 5 passengers per boat. Businesses in this group averaged 2 boats per operation. Forty-seven percent (47%) offered an average of one boat each in the 20-39' range, accommodating an average of 9 passengers per boat. The incidence of larger boats was significantly less as about one quarter of the operators offered boats in the 40-59' or the 60-100' range. These boats could generally accommodate an average of 21 or 24 passengers respectively and operators in these groups averaged one boat per business.

Vessel Length	Average No. Boats	Average No. Passengers	% of Respondents
<20'	2	5	41
20-39'	1	9	47
40-59'	1	21	24
60-100	1	24	29

In total, 71% of the wildlife viewing operators provided accommodation and the average capacity was 10 beds. Twenty-nine percent (29%) of the operators provided landbased accommodation. Eighteen percent (18%) of all operators offered cabin accommodation with an average of 5 cabin beds per business. Significantly more important to this sector was on-board accommodation, offered by 59% of operators at an average of 9 beds per business.

Product Pricing

Wildlife tours were primarily priced on a per client basis. All of the operators offered guided tours and the average daily rate was $110 per client and $160 per night per client.

9.2 Economic Profile

Revenues. Total sector revenues from the 50 operators were an estimated $4.2 million, or $84,000 per operation in 1989 (Exhibit 9.3). Seventy-one percent (71%) of this total came from wildlife viewing packages. The percentage breakdown of the revenue base of the sector was:

Activity	% of Revenues
Wildlife Viewing	71.0
Power Cruising	2.1
Sail Cruising	12.3
Sportfishing	6.7
Scuba Diving	2.7
Kayaking	2.0
Other	3.2

Employment. Peak summer employment in the sector was 260 jobs. Many of these jobs were seasonal. The result is that the sector provided 175 person-years of employment (based on averaging the four seasonal employment levels). An estimated 32% of this employment was part-time as opposed to full-time employment.

The average year-round employment level was 3.5 people per operation. This translated into an average revenue per employee of $24,000 for the sector.

Wages Paid. Wage income earned by employees in the sector represented $1.7 million in 1989 (Exhibit 9.3). As total employment was 175 person-years, the average annual wage rate was $10,000. This is much lower than the provincial average annual wage of approximately $25,000 in 1989.

Many operations were owner-operated and employed family labour. In these cases, the decision by the operator as to what wage to draw and what surplus to leave in the business was arbitrary. Also, some workers received free food and lodging, and accordingly received a lower wage. These factors, as well as the relatively high level of part-time labour, affected any wage comparison to the economy at large.

Investment. The total of all capital investment to date for the 50 operations on an original or purchase cost basis was an estimated $11.9 million in 1989. That is, the sector had invested approximately $2.80 for every $1 of annual revenue[1]. This ratio is high by tourism and outdoor recreation standards[2]. The bulk of the investment represented purchases of boats (Exhibit 9.3).

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[1] Investment refers to the original cost of all investment "associated" with the wildlife viewing operation. Some of this investment may be used to generate revenues from other activities.

[2] The Economic Planning Group of Canada, Travel Industry Norms for the British Columbia Tourist Industry: A Manual of Development and Operational Norms for the British Columbia Tourist Industry, Report prepared for the Tourism Industry Association of British Columbia, 1986.

Exhibit 9.3: Economic Profile of Wildlife Viewing Operations in British Columbia, 1989.

	Total ($ millions)[c]	Average Per Operation ($000's)[c]
No. Operators	**50**	**1**
Revenues	**$4.2**	**$84**
Revenue Distribution		
Wages & Salaries Paid[a]	$1.7	$34
Purchases Goods & Services	$2.0	$40
Capital Return Including Interest Payments, Depreciation, Taxes, Profit	$0.5	$10
Total	**$4.2**	**$84**
Purchase Cost of Assets		
Land	$0.4	$8
Facilities	$0.9	$18
Boat	$9.4	$188
Other	$1.2	$24
Total	**$11.9**	**$238**
1989 Capital Expenditures[b]	**$1.4**	**$28**
Market Value of Assets	**$16**	**$32**
Positions/Jobs (No.)		
January 1989	90	1.8
April 1989	175	3.5
July 1989	260	5.2
October 1989	175	3.5
Person-Years Employment (No.)	**175**	**3.5**

a. Includes a wage to the owner operator
b. Included in purchase cost of assets.
c. Unless otherwise indicated.

Source: Extrapolated to total sector from 1989 Marine Tourism Survey.

Of the $11.9 million investment, $1.4 million was estimated to have occurred in 1989.

The current market value of wildlife viewing operations, including land, facilities, boats and other equipment, was $16 million (as estimated by operators).

Supply Purchases. The sector provided linkages to other provincial economic sectors through the purchases of goods and services. In 1989, the sector purchased an estimated $2.0 million in supplies broken down approximately as:

	Purchases from Suppliers ($ millions)	% of Total
Food & Accommodation	$0.3	15
Transportation	0.3	15
Marketing, Promotion, Travel	0.4	20
Maintenance	0.3	15
Administration	0.3	15
Other	0.4	20
Total	2.0	100

Of the $0.4 million expenditures on marketing, promotion and travel, 80% were made in the province. However, well over 95% of all other expenditures on goods and services were made in British Columbia.

Supply purchases represented 48% of the $4.2 million in sector revenue in 1989. Wages paid comprised another 40%. The residual (12%) represented a gross return to capital to cover interest payments on borrowed capital, a depreciation reserve for the recovery of capital, taxes including permits and licences, and after-tax profit or return to capital (Exhibit 9.3).

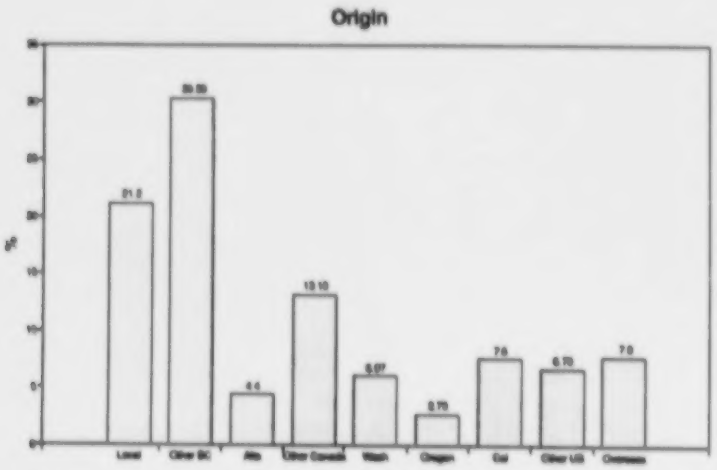
9.3 Market Profile

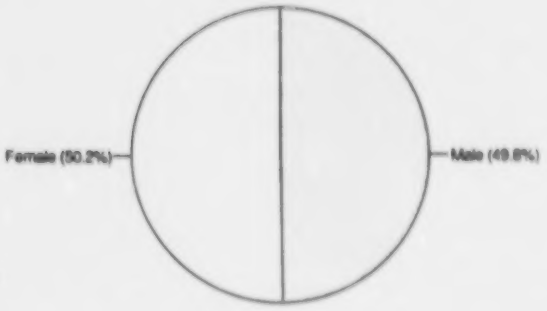
The majority of wildlife viewing customers were Canadian (69%) with a further 23% from U.S. origins. Of Canadian customers, 52% were from British Columbia and 13% were from Canadian origins other than British Columbia and Alberta (predominantly residents of urban centres in Ontario). California (9%), followed by Washington (6%) were the dominant U.S. markets (Exhibit 9.4). The 8% overseas market was comprised of 6% from Europe and the remainder from Pacific Rim countries.

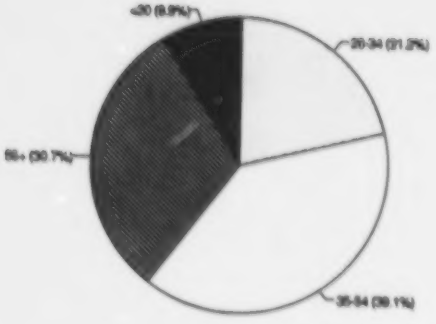
Like other marine tourism sectors, older age groups comprised the majority of this sector's market. Thirty-nine percent (39%) of the market ranged in age from 35-54 years of age while 31% were 55 years of age or older. Males and females comprised equally important market segments at about 50% each.

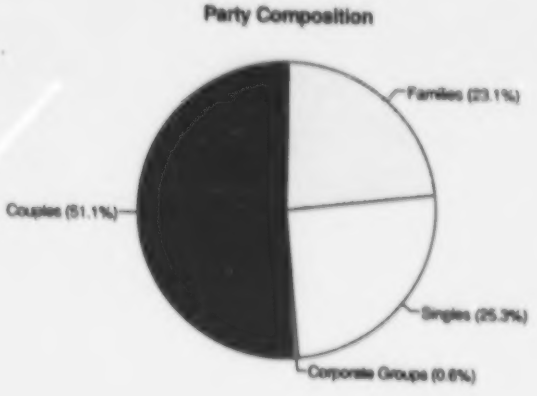
Party composition was dominated by couples at 51% of the overall market. This was indicative of the attraction of this product to relatively higher income urban dwellers. Singles comprised another 25% of the market and families 23%. Corporate groups did not play a significant role in the wildlife viewing market (less than 1%).

Exhibit 9.4: Market Profile of Wildlife Viewing Operations, 1989









Direct sales was the main method used to generate bookings. Twelve percent (12%) of the bookings were generated by other sources, such as local ground operators and community booking agents.

	% of Bookings
Direct Sales	77
Charter Brokers	4
Wholesalers	1
Travel Agents	6
Other	12

Repeat clientele did not play an important role with the wildlife viewing operators. The average for the sector was 21%. This was, in part, a reflection of the relatively high number of businesses which had just started up. For these businesses it will take several years of operation to build up a list of repeat clients.

9.4 Marketing

Wildlife viewing operations devoted about 5% of their overall revenues to marketing. In 1989, this sector spent an estimated $400,000 on marketing. The average marketing budget per operation in 1989 was $8,000.

The marketing tools profiled below indicate that these operators pursued a variety of marketing channels to attract customers. More than 50% of operators used 9 or more marketing tools. The most important tools for this sector (based on frequency of use by operators) were brochures and word of mouth. Direct mail and advertising through Ministry of Tourism guides also ranked high with the operators as did consumer and trade shows, magazine advertising, direct contact by phone and complimentary trips for travel writers.

	% Respondents Which Use Marketing Tool %
Brochures	100
Word of Mouth	100
Direct Mail	71
Ministry of Tourism Guides	71
Consumer Shows/Trade Shows	65
Magazine Advertising	59
Complimentary Trip for Travel Writers	59
Contact by Phone	59
Newspaper Advertising	53
Promotional Donations	53
Promotional Trips/Small Group Presentations	47
Charter Brokers	35
Videos	35
Radio	24

Wildlife viewing operators ranked word of mouth and brochures as the most effective marketing approaches. This was followed by direct mail, participation in Ministry of Tourism guides, and promotional trips.

The majority (72%) of the operator's marketing budget was allocated to the British Columbia resident followed by 9% for Canadian markets outside the province and Alberta, and 5% for California markets.

	% Marketing Budget Allocated to
B.C.	72
Alberta	3
Rest Canada	9
Washington	4
Oregon	2
California	5
Rest U.S.	3
Overseas	2

The majority of operators regarded collective marketing as an important tool with 65% of the operators participating in some form of collective marketing. Most frequently used was marketing through the regional tourism associations (31%), followed by collaborative marketing with other operators (14%). Other techniques less frequently used included participation with transportation carriers, associations, and other charter operators.

Wildlife viewing operators emphasized the availability of wildlife and the quality of British Columbia's wilderness experiences more than any other feature in their marketing materials. They also regarded the experience and professionalism of their guides as an important marketing message. Less than half of all operators emphasized the quality of the marine experience or British Columbia's scenic coastline in their marketing materials.

Features Emphasized in Marketing	Respondents %
Availability of wildlife to view	76
British Columbia's wilderness experience	65
Experience/professionalism of guides	53
Quality of marine experience	41
British Columbia's scenic coastline	41
Quality of facilities and services	18

The primary source of competition for their product, in the opinion of operators, was Alaska followed closely by Washington and California. When asked about why the clients chose B.C. over other locations, the majority of operators cited wildlife viewing opportunities as most significant, with unspoiled wilderness and the location of the province relative to markets as less important but significant.

10.0 Scuba Diving

There were approximately 20 tourism businesses which specialized in offering scuba diving product along B.C.'s coastline. This product was offered to both resident and non-resident certified divers. Scuba diving packages were offered either as multi-day or single-day trips. For the multi-day packages the scuba diver could choose from a power vessel with on-board accommodation, or a land-based facility where day trips to dive sites were provided. Those businesses which utilized power vessels were able to offer scuba diving trips from a variety of diving destinations along the coastline. On the other hand, those facilities which used a land-based facility focused on nearby dive sites.

Scuba diving was also offered as a one-day trip and these products were typically located in larger urban centres along the coastline. Several of the dive stores located in these centres owned and operated a dive boat to take out not only their customers, but also visitors. All of the dive charters were skippered and the dives were coordinated by the skipper or dive guides.

10.1 Product Profile

Geographical Distribution

The scuba diving product was offered throughout the British Columbia coastline (Exhibit 10.1). Popular diving destinations were located in each of the major regions of the coast. In the southern Strait of Georgia area, Vancouver and Victoria were popular locations for day trips and the Gulf Islands, Powell River and Sunshine Coast were popular multi-day dive destinations. In the Campbell River area, Campbell River, Hornby Island and Denman Island were popular diving destinations. On the west coast of Vancouver Island, Barkley Sound and specifically the Broken Group Islands were favourite diving destinations. Port Hardy was a popular summer diving destination at the northern end of Vancouver Island. The Queen Charlotte Islands were popular for diving but only captured 17% of the operators.

Those dive operators who offered multi-day trips aboard a vessel typically travelled the coastline offering a variety of dive destinations. These operators travelled to the more remote northern dive destinations during the summer months and returned to southern Strait of Georgia during the winter months. The land-based facilities, on the other hand, were only able to offer dive trips out of their general area. The popular locations for the land-based facilities included Campbell River, Powell River, Sechelt, and Barkley Sound. Overall, 17% of the operations were based out of Vancouver and 17% out of Victoria.

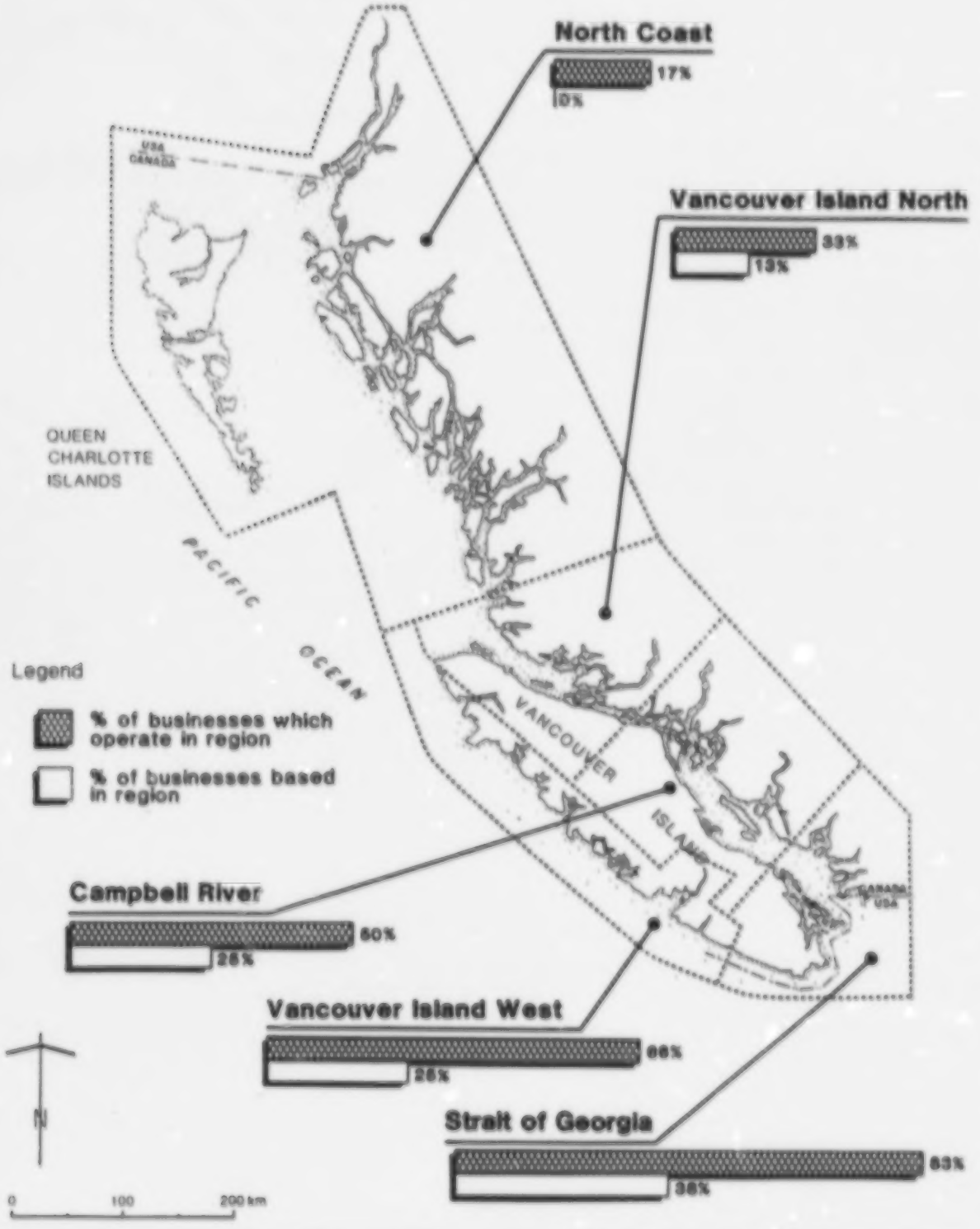


Exhibit 10.1

Distribution of Scuba Diving

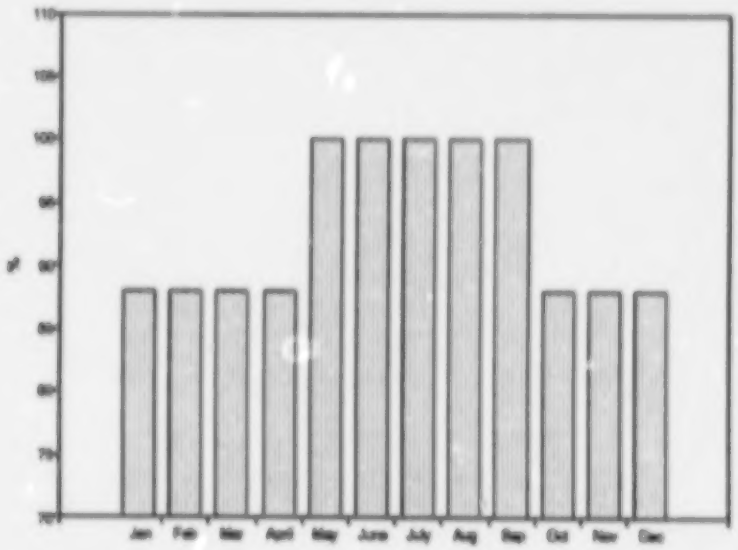
Age of Operation

The majority of the scuba diving operations have been in business for several years. The average age of operation was eight years. Only 20% of the businesses had started up in the past five years.

Seasonality

The majority of the scuba diving businesses operated year round (Exhibit 10.1). Twelve percent (12%) of the businesses were seasonal and operated for five months, from May through to September. The remaining operators (88%) were run year round. During the winter season the bulk of the product was sold as two to three-day weekend packages. During the summer season from May through to October, both weekend and weekday packages were sold.

Exhibit 10.2: Months of Operation - Scuba Diving



Source: Marine Tourism Operators Survey 1989.

Specialization

Scuba diving operators were highly specialized with scuba diving packages accounting for 91% of their revenue. In addition to scuba diving, other activities such as power cruising, sail cruising and sportfishing generated less than 10% of the businesses revenues. The majority (60%) of the operators generated all of their revenues from scuba diving.

Activities Offered

Although scuba diving was the main source of revenue for these businesses, other activities were offered to their clientele. A typical day for a scuba diving client would include two to three dives a day. In between actual dives, the operator would provide other activities for their clientele. The most popular of these was power cruising where the operator travelled between dives viewing the scenic coastline.

	Respondents Which Offer Activity %
Scuba Diving	100
Power Cruising	63
Sportfishing	45
Wildlife Viewing	42
Intertidal Harvesting	42
Whalewatching	40
Sail Cruising	23
Wind Surfing	20

Facilities

Types of facilities offered by the scuba diving product were generally limited to power or sail vessels and accommodation facilities. Sixty-three percent of the businesses were power or sail vessels and 40% were land-based facilities. All of the businesses provided either a skipper or guides for their clientele. Twenty percent of the businesses had a restaurant associated with their facility. The majority of the operators who offered overnight trips included meals with their product. There were a small number of operations where the scuba divers cooked their own meals.

The scuba diving operator typically owned one vessel and, compared to the other marine sectors, the size was relatively small. Sixty percent (60%) of the businesses had 20-39' vessels which accommodated an average of 7 passengers. Twenty percent (20%) provided larger vessels 40-59'. Those businesses which had the larger vessels typically owned a smaller (less than 20') boat which enabled them to manoeuvre the scuba divers closer to shore or closer to the reefs for diving.

Vessel Size	Average No. Boats	Average No. Passengers	% of Respondents
<20'	2	5	42
20-39'	1	7	63
40-59'	1	12	23

Sixty percent (60%) of the businesses provided onboard accommodation and averaged ten beds per operation. Twenty percent (20%) of the businesses provided lodge accommodation with an average of ten beds each. In addition, 20% of the businesses provided cabins and averaged six beds per facility.

Product Pricing

All scuba product was offered as a guided/skippered charter. The product was commonly priced on a per client basis; 60% price by client and 40% price by vessel. The average per client rates for a scuba package were $83 per day and $100 per night.

10.2 Economic Profile

Revenues. Total sector revenues from the 20 operators were an estimated $3.4 million, or $170,000 per operation in 1989 (Exhibit 10.3). Ninety percent (90%) of this total came from scuba diving packages. The percentage breakdown of the revenue base of the sector was:

Activity	% of Revenues
Scuba Diving	90.4
Sportfishing	3.0
Wildlife Viewing	2.0
Power Cruising	2.6
Sail Cruising	2.0

Employment. Peak summer employment in the sector was 75 jobs. Employment was fairly even throughout the year. The result is that the sector provided 70 person-years of employment (based on averaging the four seasonal employment levels). An estimated 51% of this employment was part-time as opposed to full-time employment.

The average year-round employment level was 3.5 people per operation. This translates into an average revenue per employee of $49,000 for the sector.

Wages Paid. Wage income earned by employees in the sector represented $1.1 million in 1989 (Exhibit 10.3). As total employment was 70 person-years, the average annual wage rate was $16,000. This is lower than the provincial average annual wage of approximately $25,000 in 1989.

Exhibit 10.3: Economic Profile of Scuba Diving Operations in British Columbia, 1989.

	Total ($ million)[c]	Average Per Operations ($ '000)[c]
No. Operators	**20**	**1**
Revenues	**$3.4**	**$170**
Revenue Distribution		
Wages & Salaries Paid[a]	$1.1	$55
Purchases Goods & Services	$0.7	$35
Capital Return Including Interest Payments, Depreciation, Taxes, Profit	1.6	$80
Total	**$3.4**	**$170**
Purchase Cost of Assets		
Land	$0.6	$30
Facilities	$0.0	$0
Boat	$1.3	$65
Other	$0.4	$20
Total	**$2.3**	**$115**
1989 Capital Expenditures[b]	**$0.1**	**$5**
Market Value of Assets	**$3**	**$150**
Positions/Jobs (No.)		
January 1989	65	3.3
April 1989	75	3.7
July 1989	75	3.8
October 1989	65	3.2
Person-Years Employment (No.)	**70**	**3.5**

a. Includes a wage to the owner operator
b. Included in purchase cost of assets.
c. Unless otherwise indicated.

Source: Extrapolated to total sector from 1989 Marine Tourism Survey.

Many operations were owner-operated and employed family labour. In these cases, the decision by the operator as to what wage to draw and what surplus to leave in the business was arbitrary. Also, some workers received free food and lodging, and accordingly received a lower wage. These factors, as well as the relatively high level of part-time labour, affected any wage comparison to the economy at large.

Of the $2.3 million investment, $0.1 million was estimated to have occurred in 1989.

The current market value of scuba diving operations, including land, facilities, boats and other equipment, was $3.0 million (as estimated by operators).

Supply Purchases. The sector provided linkages to other provincial economic sectors through the purchases of goods and services. In 1989, the sector purchased an estimated $0.7 million in supplies broken down approximately as:

	Purchases from Suppliers ($ million)	% of Total
Food & Accommodation	$0.1	14
Transportation	0.1	14
Marketing, Promotion, Travel	0.2	29
Maintenance	0.1	14
Administration	0.1	14
Other	0.1	15
Total	0.7	100

Of the $0.2 million expenditures on marketing, promotion and travel, 85% were made in the province. However, well over 95% of all other expenditures on goods and services were made in British Columbia.

Supply purchases represented 21% of the $3.4 million in sector revenue in 1989. Wages paid comprised another 32%. The residual (47%) represented a gross return to capital to cover interest payments on borrowed capital, a depreciation reserve for the recovery of capital, taxes including permits and licences, and after-tax profit or return to capital (Exhibit 10.3).

Investment. The total of all capital investment to date for the 20 operations on an original or purchase cost basis was an estimated $2.3 million in 1989. That is, the sector has invested approximately $0.70 for every $1 of annual revenue[1]. This ratio is low by tourism and outdoor recreation standards[2]. The bulk of the investment represents purchases of boats (Exhibit 10.3).

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[1] Investment refers to the original cost of all investment "associated" with the scuba diving operation. Some of this investment may be used to generate revenues from other activities.

[2] The Economic Planning Group of Canada, Travel Industry Norms for the British Columbia Tourist Industry: A Manual of Development and Operational Norms for the British Columbia Tourist Industry. Report prepared for the Tourism Industry Association of British Columbia, 1986.

Canadians comprised 70% of the markets for scuba diving operations. U.S. residents accounted for 24%. Local residents and British Columbia residents were the dominant markets at 29% and 23% respectively. Alberta, Washington and California were also important markets (Exhibit 10.4). Overseas clients represented 6% of the market and came from a wide range of origins.

The majority of the clients (85%) were between the ages of 20 and 54 years of age. In part, this is due to the restrictions of the scuba diving certification program and the fact that scuba diving is a more rigorous sport. Only 23% of the clients were females. This is not a reflection of the industry as the participation of females in the sport of scuba diving is increasing. Singles, followed by couples, were the predominant groups who purchased scuba diving product and only a small percentage (less than 5%) were corporate groups and families.

The scuba diving operators received 70% of their bookings through direct sales. The remaining 30% was from other sources such as dive stores and dive clubs.

The average level of repeat visitation for the operators was 36%.

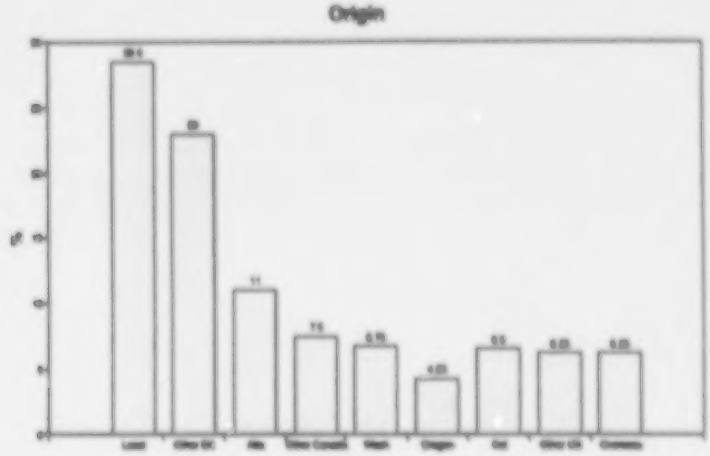
10.4 Marketing

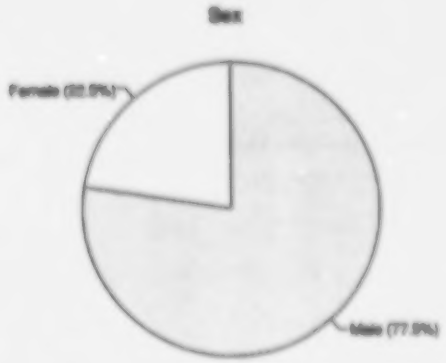
Scuba diving businesses spent 6% of their gross revenues on marketing. In 1989 the sector spent a total of $200,000 on marketing, an average of $10,000 per operation.

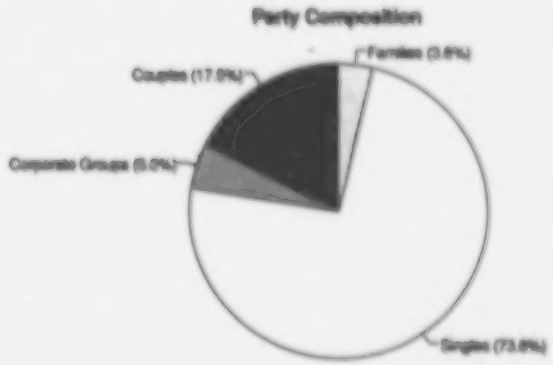
The limited funds for marketing were spent selectively on marketing tools. In addition to these tools listed below, a small percent of the operators used videos, radio advertising and promotional donations. Of these marketing tools, the most effective techniques identified by the operators were word of mouth, brochures, promotional trips and direct mail.

Marketing Tool	Respondents Who Use Marketing Tool %
Word of Mouth	100
Brochures	83
Ministry of Tourism Guides	80
Direct Mail	65
Magazines Advertising	63
Newspaper Advertising	37
Consumer Shows/Trade Shows	37
Promotional Trips/Small Group Presentations	37

Exhibit 10.4: Market Profile of Scuba Diving Operations, 1989







Sixty-one percent (61%) of the sector's marketing dollars were spent attracting British Columbia residents. In addition, 18% of the dollars were allocated to the Albertan market, 10% to the rest of Canada, 8% to Washington and 3% to Oregon. With the limited marketing dollars the operators focused on the close-in markets.

Twenty percent (20%) of the operators participated in collective marketing. Those that participated in collective marketing, marketed with other operators and regional tourism associations.

All scuba diving operators emphasized the experience and professionalism of their guides in their marketing material. Most also featured the quality of the marine experience.

Features Emphasized in Marketing	Respondents %
Experience/professionalism of guides	100
Quality marine experience	83
Quality of facilities and services	62
Availability of fish	60
British Columbia's scenic coastline	23

According to the survey respondents, the competitive destinations outside of British Columbia included Washington, eastern U.S. and warmer destinations such as Mexico, the Caribbean and California. The respondents reported that the main reason why clients choose British Columbia over other locations is the unique features offered by British Columbia's coastline.

11.0 Kayaking

There were 15 businesses which offered sea kayaking product along B.C.'s coastline. These businesses could either rented kayaks to clients for day or overnight trips or offered guided multi-day kayak tours. Very few businesses only offered kayak rentals and these companies were located in Vancouver or Victoria. The majority of the businesses offered guided kayak tours and some provided both rentals and tours.

There were several destinations along the coastline where guided tours were offered. The popular destinations were the Gulf Islands, Barkley Sound (Broken Group Islands), Desolation Sound and the Queen Charlotte Islands. Many of the kayak tours were offered in a provincial or national park.

Most kayak businesses were based out of Vancouver or Victoria. During the season they would either relocate their business to a more northern location if they were a small operation, or set up secondary staging areas if they were a large operation. Their clients were typically flown in by scheduled or charter flight to these areas to start their kayak tour. From there the tour would explore the more remote areas by kayak and camp overnight on shore. Once the tour was completed a new group of clients were flown in and those that had finished their trip were flown out. The logistics of flying in clients and supplies was very important to the success of these operations as it allowed them to serve a greater number of clients in one season.

11.1 Product Profile

Geographic Distribution

Seventy-five percent (75%) of all kayakers were based in the southern Strait of Georgia area. Vancouver was home to 18% of the businesses and Victoria to 4%. Further north, 17% were based out of Campbell River area and 8% on the west coast of Vancouver Island (Exhibit 11.1). The kayaking trips were offered throughout the coast. Preferred locations by the majority of operators were the southern Strait of Georgia and west coast of Vancouver Island regions (58% each). Forty-two percent (42%) of the operators also offered trips in either the North Coast region or Vancouver Island north.

Age of Operation

The majority of the kayaking businesses were established in the last five years (71%). The remainder have been in operation for about 11-15 years.

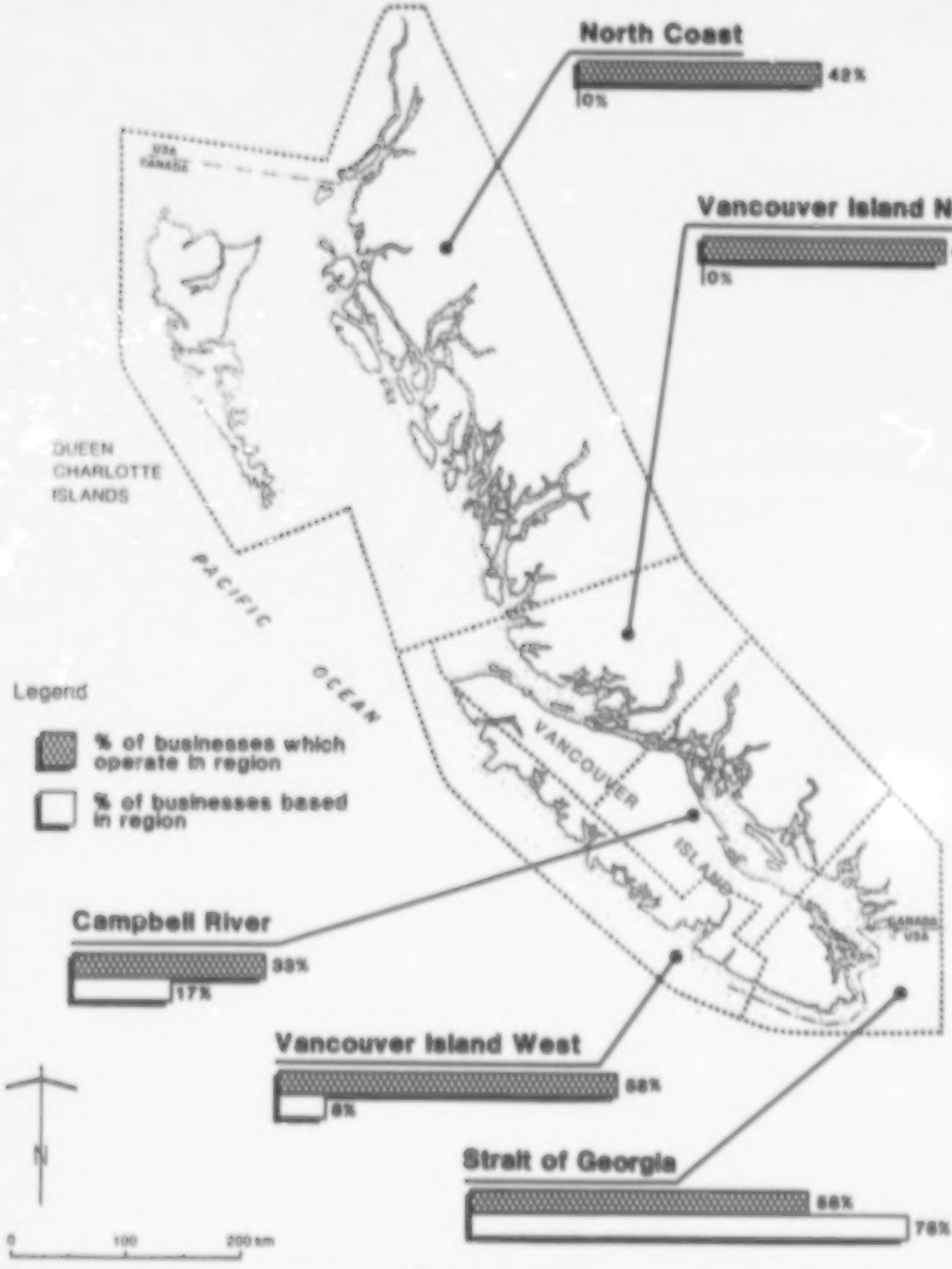


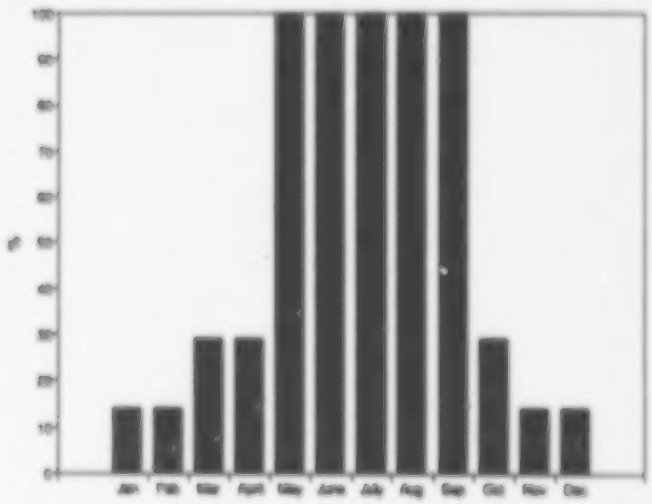
Exhibit 11.1

Distribution of Kayaking

Seasonality

Sea kayaking was a highly seasonal business compared to other sectors offering a general coastal marine experience. In the peak season, May to September, all businesses were in operation (Exhibit 11.2). This sector was very weather independent given the "outdoor" component of the product experience (that is, reliance on tenting for overnight accommodation). During the extreme weather conditions (late fall and winter) kayaking was not popular. Only 14% of the kayaking businesses operated year round, and these businesses offered kayak tours to warmer locations outside of British Columbia during the winter months.

Exhibit 11.2: Months of Operation - Kayaking



Source: Marine Tourism Operators Survey, 1989

Specialization

About 81% of all revenues for the kayaking sector were generated by the sea kayaking experience itself. Nine percent (9%) of revenues were derived from wildlife viewing and a further 4% from sail cruising. Unlike most other sectors in the marine tourism industry, the kayaking sector did not derive any revenues from sportfishing. Forty-three percent (43%) of the operators generated revenue only from kayaking.

Activities Offered

Sea kayaking operations offered a mix of activities in addition to the kayaking experience itself. Ancillary activities included wildlife viewing, coastal history, whalewatching and native culture, which the operator packaged as part of or as a supplement to the kayaking experience.

	Respondents Which Offer Activity %
Kayaking	100
Wildlife Viewing	86
Coastal History	71
Whale Watching	71
Native Culture	57
Kayaking School	43
Intertidal Harvesting	29
Sportfishing	29
Sail Cruising	14

Facilities

The sea kayaking operations supplied guides, kayaks and camping equipment to their customers. Fifty-seven percent (57%) of the businesses provided kayak rentals. The majority of operators (71%) maintained an average of 9 keyaks per business. A small portion (6%) also operated a larger vessel which accommodated 8 passengers and offered both sea kayaking and sail cruising packages, although their primary revenue source was sea kayaking.

	Average No. Boats	Average No. Passengers	% of Respondents
<20'	9	2	71
20-39'	2	6	57
40-59'	-	-	-
60-100'	2	8	-

Sea kayaking operations did not, for the most part, offer accommodation. The sea kayaking experience involved overnight trips where clients tent at locations along the coastline. Fourteen percent (14%) of operators, however, offered clients either hotel or lodge accommodation at the beginning or end of their kayaking trip.

Product Pricing

Most (86%) of the kayak operators provided guided packages while 57% offered kayak rentals. The average rates for the kayak rentals were $55 per day and $35 per night (based on a minimum number of nights). The average rates for the guided kayak packages were $137 per night.

11.2 Economic Profile

Revenues. Total sector revenues from the 15 operators were an estimated $4.4 million, or $293,000 per operation in 1989 (Exhibit 11.3). Eighty-one percent (80.7%) of this total came from kayaking packages. The percentage breakdown of the revenue base of the sector was:

Activity	% of Revenues
Kayaking	80.7
Wildlife Viewing	9.3
Sail Cruising	3.6
Other	6.4

Employment. Peak summer employment in the sector was 115 jobs. Many of these jobs were seasonal. The result is that the sector provided 75 person-years of employment (based on averaging the four seasonal employment levels). An estimated 43% of this employment was part-time as opposed to full-time employment.

The average year-round employment level was 5.0 people per operation. This translates into an average revenue per employee of $59,000 for the sector.

Wages Paid. Wage income earned by employees in the sector represented $0.8 million in 1989 (Exhibit 11.3). As total employment was 75 person-years, the average annual wage rate was $11,000. This was much lower than the provincial average annual wage of approximately $25,000 in 1989.

Many operations were owner-operated and employed family labour. In these cases, the decision by the operator as to what wage to draw and what surplus to leave in the business was arbitrary. Also, some workers received free food and lodging, and accordingly received a lower wage. These factors, as well as the relatively high level of part-time labour, affected any wage comparison to the economy at large.

Investment. The total of all capital investment to date for the 15 operations on an original or purchase cost basis was an estimated $3.6 million in 1989. That is, the sector invested approximately $0.80 for every $1 of annual revenue[1]. This ratio is low by tourism and outdoor recreation standards[2]. The bulk of the investment represents purchases of facilities (Exhibit 11.3).

Of the $3.6 million investment, $0.5 million was estimated to have occurred in 1989.

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[1] Investment refers to the original cost of all investment "associated" with the kayaking operations. Some of this investment may be used to generate revenues from other activities.

[2] The Economic Planning Group of Canada, Travel Industry Norms for the British Columbia Tourist Industry: A Manual of Development and Operational Norms for the British Columbia Tourist Industry. Report prepared for the Tourism Industry Association of British Columbia, 1986.

Exhibit 11.3: Economic Profile of Kayaking Operations in British Columbia, 1989.

	Total ($ million)[c]	Average Per Operation ($000's)[c]
No. Operators	15	
Revenues	$4.4	$293
Revenue Distribution		
Wages & Salaries Paid[a]	$0.8	$53
Purchases Goods & Services	$1.8	$120
Capital Return	$1.8	$53
Including Interest Payments, Depreciation, Taxes, Profit		
Total	$4.4	$293
Purchase Cost of Assets		
Land	$0.7	$47
Facilities	$1.4	$93
Boats	$0.8	$53
Other	$0.7	$47
Total	$3.6	$240
1989 Capital Expenditures[b]	$0.5	$33.0
Market Value of Assets	$4	$270
Position/Jobs (No.)		
January 1989	55	3.7
April 1989	70	4.7
July 1989	115	7.6
October 1989	60	4.0
Person-Years Employment (No.)	75	5.0

a. Includes a wage to the owner operator
b. Included in purchase cost of assets.
c. Unless otherwise indicated.

Source: Extrapolated to total sector from 1989 Marine Tourism Survey.

The current market value of kayaking operations, including land, facilities, boats and other equipment, was $4 million (as estimated by operators).

Supply Purchases. The sector provides linkages to other provincial economic sectors through the purchases of goods and services. In 1989, the sector purchased an estimated $1.8 million in supplies broken down approximately as:

	Purchases from Suppliers ($ millions)	% of Total
Food & Accommodation	0.1	6
Transportation	0.1	6
Marketing, Promotion, Travel	0.2	11
Maintenance	0.1	6
Administration	0.1	5
Other	1.3	66
Total	1.8	100

Of the $0.2 million expenditures on marketing, promotion and travel, 62% were made in the province. However, well over 95% of all other expenditures on goods and services were made in British Columbia.

Supply purchases represented 41% of the $4.4 million in sector revenue in 1989. Wages paid comprised another 18%. The residual (41%) represented a gross return to capital to cover interest payments on borrowed capital, a depreciation reserve for the recovery of capital, taxes including permits and licences, and after-tax profit or return to capital (Exhibit 11.3).

11.3 Market Profile

The majority of sea kayaking clients originated from Canadian markets (75%). U.S. markets accounted for 20% of the client base. The Canadian market was dominated by British Columbia residents (48% of customers). Kayaking operations attracted about 9% of their customers from Alberta while the rest of Canada accounted for 18% of the markets (Exhibit 11.4). This share primarily represented residents from major urban centres in Ontario. Washington and California were the primary U.S. market origins accounting for 7% and 6% of the market respectively. Sea kayaking operators attracted 4% of their market from Germany.

One half of the kayaking market was 20-34 years of age, a far higher proportion of the younger market than any other marine tourism sector. Clients aged 35-54 years represented a further 36% of the market with those who were 55 years of age or over constituting 11% of the market. These statistics revealed that the kayaking product experience appealed primarily to the young "outdoors" individual. There was a relatively even split between males and females with males accounting for 55% of the overall market.

Party composition for this sector was distinctly different from other marine tourism industry sectors in that families accounted for less than 10% of the market and kayaking operators did not attract any corporate groups at all. The market was largely made up of couples and singles (90%).

Direct sales accounted for 97% of the bookings for sea kayaking operators, the highest percentage of all marine tourism sectors. Only 2% of the sales were generated by wholesalers and 1% by travel agents. The portion of repeat clients was low at 25%. However this was, in part, a reflection of the high number of new operations which were actively building their base of clients.

11.4 Marketing

Kayaking operators spent about 5% of their revenues on marketing. In 1989, this sector spent an estimated $200,000 on marketing, an average of $13,300 per operation.

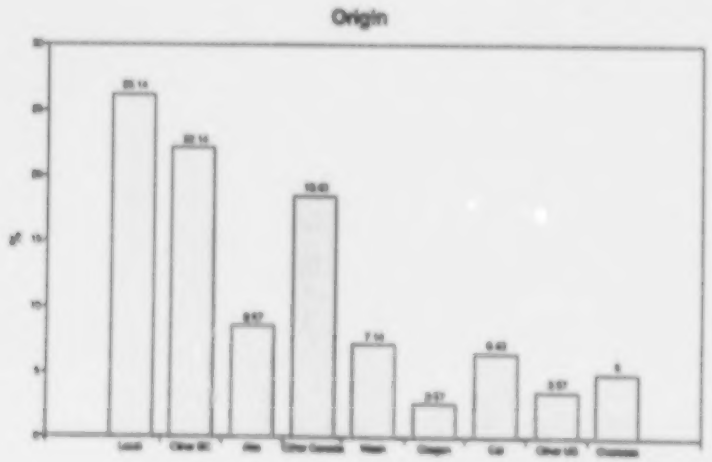
Operators relied on 4 marketing tools for the most part; brochures, word or mouth, direct mail, and magazine advertising. Also important to just under half of all operators were Ministry of Tourism guides, complimentary trips for travel writers, consumer/trade shows, and promotional donations.

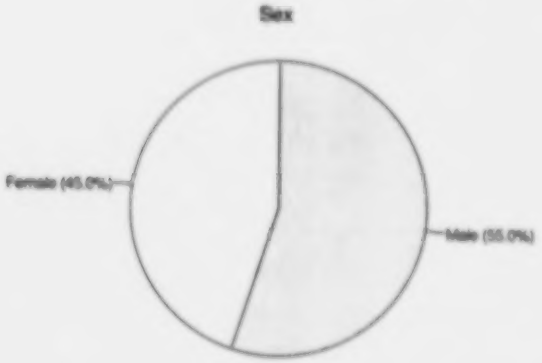
Operators generally regarded word of mouth and brochures as the most effective tools for marketing followed closely by magazine advertisement. Promotional trips and direct mail were also cited by operators as somewhat effective.

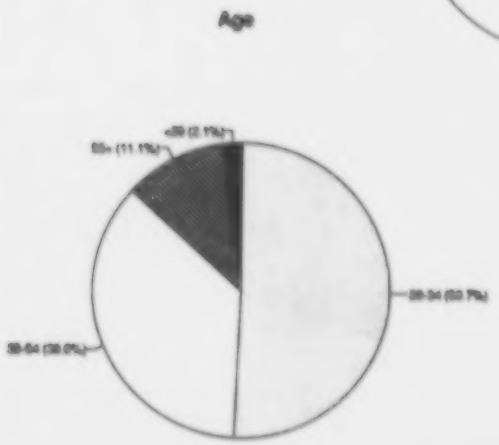
	Respondents Who Use Marketing Tool %
Brochures	86
Magazine Advertising	77
Direct Mail	71
Word of Mouth	71
Ministry of Tourism Guides	43
Complimentary Trip for Travel Writers	43
Consumer Shows/Trade Shows	43
Promotional Donations	43
Promotional Trips/Small Group Presentations	29
Newspaper Advertising	29
Contact by Phone	29
Videos	29
Charter Brokers	14

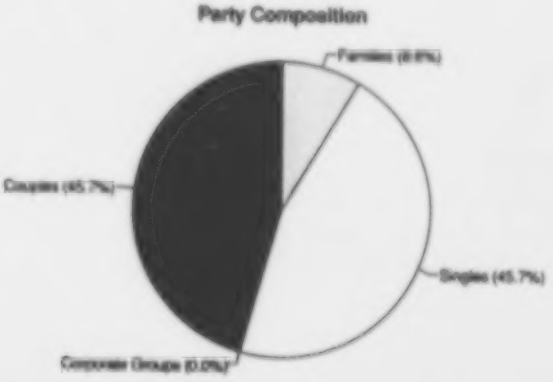
Unlike most other marine tourism industry sectors, kayaking operators allocated less than 50% of their marketing budget to the British Columbia resident. The majority of the marketing budget was allocated to British Columbia residents (43%) and Canadian markets (40%). California was seen as an important target market with 10% of the operator's marketing budget allocated to this marketing area. Although 5% of their markets came from overseas, operators reported that they did not allocate any marketing dollars to overseas origins.

Exhibit 11.4: Market Profile of Sea Kayaking Operations, 1989









	% Marketing Budget Allocated To:
B.C.	43
Alberta	2
Rest Canada	38
Washington	3
Oregon	2
California	10
Rest U.S.	2
Overseas	-

The majority of kayaking operators participated in collective marketing (71%). Many operators (57%) marketed with their regional tourism associations. A smaller portion (29%) chose to market with other operators.

All kayaking operators emphasized British Columbia's wilderness experience in their marketing materials and the majority also featured wildlife viewing opportunities. The experience and professionalism of their guides was regarded by operators as an important attribute to emphasize in marketing (66% of operators), while the quality of the marine experience and British Columbia's scenic coastline were only featured by 50% and 33% of operators respectively.

	Respondents %
British Columbia's wilderness experience	100
Availability of wildlife to view	83
Experience/professionalism of guides	66
Quality of marine experience	50
British Columbia's scenic coastline	33

Sea kayaking operators regarded Alaska as their primary competition outside British Columbia. Secondary competitive regions included Washington State, Mexico, and kayaking opportunities in the rest of Canada. From an operator perspective, clients tended to choose British Columbia over other destinations primarily because of wildlife viewing opportunities and, to a lesser extent, the strategic location of the province relative to other destinations.

12.0 User Perceptions

An important factor in understanding the nature and strength of the marine tourism industry is the perception of that industry by its users. To provide information on user perceptions, a survey of users was undertaken in 1990 as part of this study. The survey was administered with the assistance of operators who distributed survey forms to their customers in two one-week periods, (one in August and one in September). The selection of operators to distribute survey forms was stratified to ensure representative coverage by:

- geographic location;
- size of operation; and
- type of operation.

Completed user survey forms were either collected by the operator or mailed directly to the study team by the user.

A total of 349 responses were received from users, distributed across all marine tourism industry sectors as shown below.

User Type	Distribution By Type	Distribution Among Sectors	
Fishing Experience	40%	• Sportfishing Lodges	48%
		• Overnight Sportfishing Charters	39%
		• Day Fishing Charters	13%
		Total	**100%**
Coastal Experience	30%	• Sail	5%
		• Scuba	5%
		• Wildlife	89%
		• Kayaking	1%
		Total	**100%**
Marina Users	30%	Total	100%
Total	100%		

It must be noted that this is not a random sample of users, but rather provides indicative evidence concerning user perceptions. All of the user findings are reported on an average basis and are not weighted.

12.1 Profile of Users Surveyed

The users engaging in a fishing experience were generally older (60%, 45 years of age or more) as compared to those using marinas (28%) or involved in a coastal experience (35%) as Exhibit 12.1 indicates.

Exhibit 12.1: Client Age

Age	Coastal Experience %	Fishing Experience %	Marina Users %
19-24	8	4	23
25-34	20	8	26
35-44	37	28	21
45-54	11	20	15
55-64	8	26	10
65+	16	14	5

Source: Marine Tourism User Survey, 1990

The marina users were, for the most part, younger with 69% under the age of 45. The largest age cohort for coastal and fishing experience users was from 35 to 44 years of age (37% and 38%, respectively).

The fishing experience users exhibited the highest income with 61% earning in excess of $60,000 in household income (Exhibit 12.2). The difference between income levels of fishing experience users and others is even more marked when one considers that 82% of fishing experience users had household incomes in excess of $40,000, compared to 65% for coastal experience users and 50% for marina users.

Exhibit 12.2: Household Income

1990 Household Income	Coastal Experience %	Fishing Experience %	Marina Users %
<$20,000	9	-	14
$20,000-$39,000	26	17	33
$40,000-$59,000	18	21	23
>$60,000	47	62	30

Source: Marine Tourism User Survey, 1990.

Based on evidence provided by the user survey, there were significantly more (47%) marina users in lower income strata (less than $39,000), although coastal experience users were not far behind at 35%.

The coastal experience and marina users who were surveyed were primarily Canadian (71% and 79%, respectively). Eighty-one percent (81%) of the fishing experience users were from U.S. origins.

Of note in the client origin statistics (Exhibit 12.3) is the fact that 15% of coastal experience users were from Europe, as compared to none for the sportfishing experience and only 2% for marinas.

Exhibit 12.3: Client Origin

Place of Residence	Coastal Experience %	Fishing Experience %	Marina Users %
B.C.	39	10	69
Other Canada	32	6	10
U.S.A.	12	81	16
Europe	15	-	2
Pacific Rim	1	3	2
Other	1	-	1

Source: Marine Tourism User Survey, 1990.

High repeat visit rates were evidenced by both fishing experience users (61% visiting more than once) and marina users (74% visiting more than once) as shown in Exhibit 12.4. Both the sportfishing and marina users exhibited loyalty to British Columbia. Sixty-one percent (61%) of the sportfishing users and 74% of the marina users had visited the coast more than once (Exhibit 12.4). On the other hand, the coastal experience users were predominantly first time visitors (80%). These statistics indicated that the strength of the sportfishing and marina product was such that repeat visitation forms a large part of the operator's business. On the other hand, while coastal experience users are primarily first time, it is a relatively new product area and one which could potentially see increased repeat visitation over time.

Exhibit 12.4: Frequency of Travel on B.C. Marine Waterways

Frequency of Travel[a]	Coastal Experience %	Fishing Experience %	Marina Users %
First Time	80	39	26
2-5 times	20	51	31
6-10 times	-	5	11
>10 times	-	5	32

a. Frequency of travel over the past three years including this trip.

Source: Marine Tourism User Survey, 1990.

For the marina users, additional trip information was obtained. Fifty percent (50%) of the users had rented their boat, 15% had chartered and 35% used their own boat. Only one in four of the users surveyed stated that they would use other marina facilities on their trip. Those users who were planning to use other facilities anticipated that they would visit an average of 5 other marinas during their trip.

12.2 User Trip Profile

Based on responses by users to questions related to the primary activity which they participated in as part of their trip, it was clear that sportfishing activities dominated the fishing and marina user profiles. In the case of coastal experience users, whalewatching was the dominant activity (Exhibit 12.5).

These results were, of course, influenced by the survey structure, that is, the distribution of user survey questionnaires through operators. Nevertheless, it does give some indication of the range of activities sought by users in the coastal experience and marina areas other than for the (expected) emphasis on whalewatching and sportfishing respectively. Low returns from coastal experience sectors other than whalewatching also influenced the results here.

With these provisos, the most significant findings were that:

- sportfishing experience users concentrated almost exclusively on sportfishing and only a very small minority identified another activity as their primary reason for the sportfishing experience;
- marina users were dominated by sportfishing enthusiasts but there were a range of other motivations for the 39% of marina users who did not identify sportfishing as their primary activity.

Exhibit 12.5: Primary Activity Participated In

	Coastal Experience %	Fishing Experience %	Marina Users %
Sport Fishing	1	94	61
Power Cruising	-	-	12
Sailing	3	-	7
Scuba Diving	4	-	1
Whale Watching	50	-	-
Wildlife Viewing	1	-	1
Waterskiing	-	-	2
Visiting Coastal Communities	-	-	3
Sight Seeing	4	-	6
Other	37	6	7

Source: Marine Tourism User Survey, 1990.

In addition to their primary activity most users participated in other activities. However the sportfishing experience users participated in fewer activities than the other two user types (Exhibit 12.6). For the anglers, sportfishing was the primary activity and only 27% included wildlife viewing in their fishing experience and 20% sightseeing. On the other hand, both the coastal experience and marina users included other activities on their marine trip. For the coastal experience users whalewatching, wildlife viewing, sightseeing and learning about the history and culture were popular activities. For the marina user, sportfishing was by far the most popular activity followed by sail cruising, power cruising and sightseeing (Exhibit 12.6).

Exhibit 12.6: Activities Participated In

	Coastal Experience %	Fishing Experience %	Marina Users %
Sportfishing	3	100	75
Power Cruising	3	2	31
Sailing	7	1	31
Wind Surfing	0	0	1
Scuba Diving	5	0	2
Kayaking	1	0	1
Whale Watching	89	7	7
Wildlife Viewing	30	27	15
Swimming	5	0	14
Waterskiing	0	0	2
Visiting Coastal Communities	13	7	19
Sightseeing	50	20	31
Learning About History & Culture	17	4	11
Intertidal Harvesting	2	1	5

Source: Marine Tourism User Survey, 1990.

The average length of trip for the coastal users was influenced by the sample being skewed towards whalewatching day trips while the other users were more indicative of the actual user (Exhibit 12.7). More interesting from a tourism perspective were the number of additional days spent while on the trip in British Columbia (Exhibit 12.7). Here, coastal experience users indicated that they spent an additional nine days in British Columbia, as compared to three days for fishing experience users and five days for marina users. The fishing experience user results in this regard were particularly surprising, given that the majority of these users were from the U.S.

Exhibit 12.7: Average Length of Trip

	Coastal Experience %	Fishing Experience %	Marina Users %
Average Length of Trip in Days	2	4	3
Additional Days Spent on Trip in B.C.	9	3	5
Total Length of Trip	10	7	8

Source: Marine Tourism User Survey, 1990.

Fishing experience users spent more than double the amount of money for their trip as compared to coastal experience and marina users. The majority of their expenditures (70%) were attributed to the cost of the package (Exhibit 12.8). Users involved in a coastal experience spent about 22% on their package and another 14% for non-marine related activities (exclusive of transportation, accommodation, and meals). The majority of marina user expenditures were on vessel costs and accommodation/meal costs (73%).

Exhibit 12.8: Cost of Marine Trip

	Coastal Experience	Fishing Experience	Marina Users
Cost of Total Trip[a]	$1,188	$2,124	$594
Percentage Spent on:	%	%	%
Package Costs (Vessel costs for marina users)	24	73	57
Additional Transportation	19	9	6
Non marine Related Activities	15	7	9
Accommodation/Meal Costs	37	8	18
Other Costs	5	3	10

a. This includes the cost of additional days spent in British Columbia.

Source: Marine Tourism User Survey, 1990.

12.3 Perceptions of the Tourism Product

Users reported a high level of satisfaction with the British Columbia product. Level of personal service, quality of the facility, the opportunity to see beautiful scenery, and the opportunity to fish were the factors which most met the expectations of users (Exhibit 12.9). For the most part, these factors rated only slightly above other factors, indicating that the British Columbia product was well matched to the expectations of the users.

Exhibit 12.9: Level of Satisfaction on Marine Trip

Factor	Coastal Experience		Fishing Experience		Marina Users	
	Average[a] Rating	%[b] Satisfied	Average Rating	% Satisfied	Average Rating	% Satisfied
Cost of the package/trip	1.5	94	1.5	94	2.0	79
Quality of the lodge or vessel	1.3	99	1.1	100	–	–
Level of personal service	1.2	99	1.1	99	–	–
Ease of access to facilities	1.2	98	1.3	94	1.7	89
Remote wilderness	1.3	98	1.3	95	2.0	79
Opportunity to relax in a marine setting	1.4	95	1.3	97	1.8	84
Opportunity to do many activities	1.7	90	2.1	74	1.8	84
Opportunity to see beautiful scenery	1.1	99	1.3	97	1.5	88
Opportunity to see wildlife	1.2	99	1.9	80	1.9	80
Opportunity to fish	2.0	70	1.1	100	1.7	85
Opportunity to learn about native culture	1.6	91	2.2	64	2.2	76
Opportunity to visit coastal communities	1.7	83	2.1	67	1.9	82

a Average rating is based on a scale of 1 to 4 where:

1 very satisfied
2 somewhat satisfied
3 not very satisfied
4 not at all satisfied

b % Satisfied is the % of respondents who were either very or somewhat satisfied with the factor.

Source: Marine Tourism User Survey, 1990.

The coastal experience and fishing experience users, in particular, exhibited a very high level of satisfaction with most factors associated with their trip (Exhibit 12.9). Marina users, on the other hand, tended to rate their experience closer to the "somewhat satisfied" rather than "very satisfied" levels.

A further indication of the level of satisfaction is found in the number of users who expressed an intention to plan another trip to B.C. Almost 100% of all users indicated that they plan to visit British Columbia again, as shown below.

	Coastal Experience %	Fishing Experience %	Marina User %
Plan Another Trip to B.C.	92	99	92
Planning to Return 1991	38	71	76
In 2 Years	32	22	17
In 3 Years	30	7	7

Of those respondents that would plan another marine trip to British Columbia, the fishing marina experience users were more likely to plan another trip within a year. In fact, three out of four of these users will return next year. Another strong indication of their high level of satisfaction with the product.

12.4 Marketing the B.C. Waterways Tourism Product

The user survey results can be used to help operators in structuring their marketing strategies. The users were asked to indicate which factors were important when planning a trip; using a scale of 1 to 4 where one represents very important and 4 not at all important. The most important features varied somewhat between types of users. For the coastal experience user the opportunity to see beautiful scenery, view wildlife and a quality vessel or lodge were the top features (Exhibit 12.10). For sportfishing the top features were the opportunity to fish, quality of lodge or vessel and the level of personal service. For the marina user the top features were the cost of the package/trip, ease of access of facilities, opportunity to relax and opportunity to fish.

Exhibit 12.10: Importance of Factors When Planning the Trip

Factor	Coastal Experience		Fishing Experience		Marina Users	
	Average Rating[a]	% Important[b]	Average Rating	% Important	Average Rating	% Important
Cost of the package/trip	2.1	72	1.6	80	1.6	81
Quality of the lodge or vessel	1.5	91	1.4	97	--	--
Level of personal service	1.8	83	1.5	90	--	--
Ease of access to facilities	2.2	62	2.2	62	1.8	80
Remote wilderness	2.1	67	1.9	81	2.2	63
Opportunity to relax in a marine setting	2.1	70	1.9	96	1.8	75
Opportunity to do many activities	2.7	40	3.1	25	2.1	67
Opportunity to see beautiful scenery	1.3	93	1.8	84	1.6	88
Opportunity to see wildlife	1.3	93	2.5	62	2.0	72
Opportunity to fish	3.3	22	1.1	100	1.7	75
Opportunity to learn about native culture	2.5	57	2.4	25	2.8	38
Opportunity to visit coastal communities	2.7	41	3.3	20	2.5	53

a Average rating is based on a scale of 1 to 4 where:

1 very important
2 somewhat important
3 not very important
4 not at all important

b % Important is the % of respondents where the factor was either very important or somewhat important.

Source: Marine Tourism User Survey, 1990.

In addition to the findings on which factors were important in planning the trip, questions were also asked of users about why they chose British Columbia as a destination (Exhibit 12.11). Fishing experience users placed good fishing, scenery, the availability of information on the product, and ease of access as the most important factors in selecting the province. Coastal experience users, on the other hand, rated scenery as highest, followed by ease of access and the opportunity to visit friends and relatives. This is an interesting finding in that the majority of coastal experience users engaged in a whalewatching charter, although only 8% identified whalewatching as an important consideration in choosing British Columbia as a destination. This finding was consistent with the fact that the whalewatching day charter was simply one of many activities they participated in while on their full trip in the province. Marina users placed good fishing and scenery as the most important factors in selecting British Columbia's destination. Easy access was also important as was the opportunity to visit friends and relatives.

Exhibit 12.11: Why Choose British Columbia As A Destination?

	Coastal Experience %	Fishing Experience %	Marina Users %
Good Fishing	4	57	30
Visiting Relatives	13	3	9
Scenery	28	8	27
Wildlife	6	-	2
Touring	11	-	2
Received Info	6	11	-
Other	7	7	5
Ease of Access	16	8	18
Part of Package	1	4	-
Whale Watching	9	-	-
Cost	1	4	-
Mooring Facility	-	-	2
Close to Home	-	-	5

Source: Marine Tourism User Survey, 1990.

Other destinations were considered by only about one-quarter of the users (Exhibit 12.12). This suggests that the profile of the British Columbia product as compared to other destinations was considered by many to be either the best or relatively unique.

Exhibit 12.12: Were Other Destinations Considered?

	Coastal Experience %	Fishing Experience %	Marina Users %
Yes	28	27	22
No	72	73	78

Source: Marine Tourism User Survey, 1990.

Advanced planning by users showed a wide variation between types (Exhibit 12.13). Fishing experience users, for the most part, planned their trip more than one month in advance (77%) as compared to coastal experience users (27%) and marina users (33%).

Exhibit 12.13: How Far in Advance Did You Plan for Your Trip?

	Coastal Experience %	Fishing Experience %	Marina Users %
<1 Month	73	23	67
1-6 Months	20	33	22
6-12 Months	5	40	10
>12 Months	2	4	1

Source: Marine Tourism User Survey, 1990.

The coastal experience user findings were again influenced by the predominance of whale watching users. One would expect to find longer planning cycles if there had been more representation from power and sail cruising and kayaking users. The fact that the majority of marina users did not plan more than one month in advance is indicative of the independent recreational boater.

Determining how users found out about the coastal product provided some indication of marketing channels which would be most effective for operators. Fishing experience users identified "friends" as the primary source of information (57%) followed by operators' brochures and newspaper advertising (Exhibit 12.14). This was consistent with the findings related to the number of repeat visits discussed previously and points out the importance of word of mouth advertising for these operators.

Exhibit 12.14: How Did You Find Out About the B.C. Coastal Waterways?

	Coastal Experience %	Fishing Experience %	Marina Users %
Friend	20	59	43
Operators' Brochures	36	16	4
Newspaper	1	10	4
Magazine	4	4	9
Consumer Show	1	7	1
Government	11	-	9
Travel Agent	7	-	1
Other	22	7	35

Source: Marine Tourism User Survey, 1990.

Coastal experience users, on the other hand, identified the operators' brochure as the primary source of information (36% of users). It is interesting to note that 18% of users in this category found out about the experience through B.C. government publications or travel agents, whereas none of the sportfishing experience users identified these two channels as a source of information (important to note that these responses would be influenced by the fact that 61% of respondents were repeat visitors). Marina users relied primarily on friends for information on the coastal waterways. In addition, magazines and publications of the provincial government served as information sources for 9% of marina users.

Almost all of the users were satisfied with the information they received on the marine tourism product. Ninety-five percent (95%) of fishing users, 94% of coastal users and 78% of marina users stated that the information was complete. As well, the users also felt that the information they received on their specific package or service was an accurate reflection of the services they received (99% fishing users, 98% coastal users and 85% marina users).

13.0 MARINE RELATED ACTIVITIES AND INFRASTRUCTURE

The focus of this study is on a supply-side profile and analysis of the marine tourism industry which requires adopting an operator perspective. It would be remise, however, in any study on marine tourism not to provide some recognition of key marine related activities and services which take place in the Province. For the most part, these activities and services are distinguished from the marine tourism industry analyses in Sections 3.0 to 11.0 by the fact that their product or service does not directly utilize the coastal resources in British Columbia as do marine tourism operators (i.e., they constitute attractions or services which marine tourism operators may use as part of their product package, or they are coastal community based attractions or events). The range of activities and services described in this section include:

- marine attractions (e.g. aquariums)
- marine events (e.g. festivals, salmon barbecues)
- yacht clubs
- boating schools
- air charter services
- marine tourism (e.g. suppliers of boat, boat repairs, etc)
- public sector supplied facilities (e.g. marine parks, small craft harbours)
- marine related activities (e.g. recreational boaters, coastal second home owners).

The profile of these marine related activities and services provided below is largely descriptive, rather than analytic. The intent is to demonstrate the range of activities and services which, to a greater or lesser extent, play some role in the overall marine tourism experience in British Columbia. The information present is not exhaustive. For example:

1. Local versus non-local (tourism) participation in the activities and services was not determined (e.g., Vancouver Aquarium attracted significant visitation from Lower Mainland residents as well as from out-of-province visitors).

2. The profile was not intended to be exhaustive. For example, only major events as identified in tourism brochures and the like were profiled. Numerous smaller events hosted by coastal communities were not documented.

3. Some revenues identified for the activities or services were captured in the supplyside analyses described in Sections 3.0 to 11.0, inclusive.

4. Communities, although they do play an important part in the overall marine tourism experience were not profiled. The number of coastal communities and their support activities were simply too numerous to assess.

13.1 Marine Related Attractions and Events

A marine theme was reflected in tourism and community related activities throughout British Columbia's coastline. Fishing debris, salmon festivals and fish hatcheries were all examples of events and attractions which served to draw participation from British Columbia residents and, in some instances, from international visitors. The estimated number of significant marine related activities is shown below.

Activity	Number
Marine attractions	18
Marine events	78

This estimate represents the key marine related attractions and events throughout British Columbia's coastline. There were a variety of other, smaller events (for example, salmon barbecues) and attractions which were offered in many of British Columbia's communities. The focus here, however, was on those which had been identified in:

- tourism brochures
- selected interviews with community Chamber of Commerce representatives
- yachting related directories and associations.

Marine Attractions

A marine attraction for the purposes of this study was defined as a facility which focused on interpreting or exhibiting marine resources, be they historical or natural. This study has concentrated on the major attractions along the coast, specifically facilities that were staffed and had attendance greater than 1,000. The attractions were divided into the following 5 main categories:

- ***Maritime Museums and Historic Sites*** - there are 5 maritime museums along the coast which provide interpretation of the B.C's maritime history. In addition, there are three lighthouse stations which have been developed to provide interpretation of the coast guard and navigational aids. Not included in this total are the many community museums which provide some interpretation of maritime history, but also include many other historical features of the area.

- ***Aquariums*** - there are three aquariums which provide the public with the opportunity to learn about the underwater flora and fauna found along the coast. Two of these facilities are privately owned and the other is non-profit.

- ***Bird Sanctuaries*** - there are two major bird sanctuaries located on the coast which draw enough visitors to warrant staffing. These sanctuaries provide interpretation of the many migrating birds which can be found along the coast. There are several other smaller sanctuaries which can be found on the coast but have not been included in this description.

- ***Fishing Piers*** - these attractions are relatively new to the coast but are very popular sites for fishing. There are three main piers found on the coast which provide opportunities to fish for migrating salmon and various species of bottom fish.

- ***DFO Facilities*** - the Department of Fisheries and Oceans operates several research facilities and hatcheries where visitors can learn about DFO's research projects and efforts for salmon enhancement. There are a total of five such facilities located on the coast where visitors are welcome and where interpretation panels and/or guides are provided.

Most (77%) of the major attractions were located within or nearby either Vancouver or Victoria. Seventy-five percent (75%) of the attractions which charged admission were located in Vancouver or Victoria. These attractions were able to draw from the large population base and the high volume of tourists which visited these centres. As one travels further away from the southern portion of the coast the number of major marine attractions decreased to one per region. In addition, the annual attendance for these facilities also decreased to an average of 10,000. In comparison, the southern facilities ranged from 90,000 to 1 million visitors in 1989.

Of the total 21 major attractions, 13 did not charge admission (Exhibit 13.1). For those which did not charge admission, capital and operating costs were funded by the public sector and by donations. In 1989 the total estimated attendance for these attractions was 143,500 (note that only 62% reported attendance figures). These attractions did little or no marketing and they were dependent on the community in which they were located to attract visitors. Lack of funding was the greatest constraint for these facilities. The eight major attractions which did charge admission attracted an estimated 1.6 million visitors in 1989. These facilities were unable to provide market statistics, but commented that visitors were a combination of locals, B.C. residents and non-residents. In 1989 admission charges generated an estimated $9.3 million. Two of these facilities were privately owned and the remaining facilities relied on public sector funding and donations in addition to admission.

Exhibit 13.1: Profile of Marine Attractions, 1989

No. Attractions	
Museums	8
Bird Sanctuary	2
Fishing Piers	3
Aquariums	3
DFO Facilities	5
Total	21
Attractions Which do not Charge Admission	
No. Attractions	13
Attendance	143,500
% Which Reported Attendance	62%
Attractions Which Charge Admission	
No. Attractions	8
Attendance	1,655,000
1989 Revenue	$9,314,000
Positions/Jobs (No.)	
January 1989	255
April 1989	300
July 1989	325
October 1989	265
Person Years Employment	285

Source: Survey of Major Marine Attractions, 1989.

Although all the attractions generated 285 person years of employment in 1989, they all relied on volunteers to help with staffing. An estimated $200,000 was spent by attractions on marketing. For the most part though, the attractions were also dependent on the community in which they were based to attract visitors. As a result of this dependence, the attractions were sensitive to any change in the community's ability to attract visitors. For example, the closing of the Victoria-Seattle ferry service and its impact on visitation was identified as a concern by the Victoria based attractions.

Although these marine attractions did not act as the main reason for travellers to visit a community, they did play an important role with respect to marine tourism. Through their interpretation programs they increased the visitors understanding of coastal resources; both historical and natural. The facilities also served to increase the awareness of the British Columbia coastline and, in turn, could have encouraged a visitors to seek out a means to explore the coastline, such as a power cruise or whalewatching trip.

Marine Events

British Columbia's coastline was host to many events which have a marine focus. These events were most often funded by non-profit societies as a 1-3 day annual event. From a community perspective these events were seen as a means to increase the awareness of the community and to generate economic spin-offs. The events themselves raised minimal revenue but through increased event-related spending on food, retail and accommodation economic spin-offs were created. Event association interviews revealed that statistics on attendance and revenues were either not available or generally estimated. Therefore they were not provided in this section. In addition it was not possible to determine the number of marine events as there is no source which identifies all events in B.C.

The following is a general description of the types of marine events held on the coast.

Festivals and Fairs - The majority of the marine events were festivals or fairs. There were a wide range of festivals/fairs held throughout the coast which focused on marine activities or resources. These events were typically based out of a community and run by a local non-profit association. Some of the events were run by the local museum. The festivals/fairs either specialized in specific activities such as boat parades, whale festivals, and boat building or ran as a general event which included a variety of water activities, demonstrations, picnics, and salmon barbecues. Often arts and crafts fairs were associated with these events.

Fishing Derbies - During the salmon fishing season and on any given weekend a fishing derby was being held somewhere along the coast. These popular events ranged from small community-run derbies to full scale derbies which attracted anglers from beyond local areas to compete for hundreds of dollars of prizes. All age groups came out to fish for 1-2 days to catch the prize salmon.

Races and Regattas - Like the fishing derbies, on any given weekend during the summer season, at least one race or regatta was being held along the coast. Many of these events were run for a local yacht or boating club and only attracted local participants. On the other hand, there were several large scale races/regattas which not only attracted participants but many thousands of spectators to watch the race. These races included not only the traditional sailing race but also war canoe, dragon boat and bathtub races.

Christmas Events - Originally initiated in Vancouver the carol ships had expanded to eight communities. The event involved a series of evenings where both power and sail boats, decorated with Christmas lights toured a harbour for a carol sing. These events attracted hundreds of people who toured on board and many more who viewed the event from onshore. The event was run by a local non-profit society and attracted both private and commercial vessels. The commercial vessels charged a charter fee and this revenue was captured through the operator's survey. As noted in previous sections, these Christmas events were important to the operators as they provided revenue during what was traditionally the off season.

Boat Shows - There are four annual boat shows held in Vancouver, Victoria and Nanaimo. These consumer shows exhibited new boating products and related services. In 1989 the total attendance for these shows was an estimated 87,000. Although the majority of the attendees to these shows were boaters, they also attracted individuals who were interested in becoming involved with boating. The number of tourism related businesses such as sportfishing lodges and marinas who exhibit at these shows has increased over the past few years.

13.2 Yacht Clubs and Boating Schools

Yacht Clubs

There were an estimated 44 yacht clubs located along the coast, serving both the power and sail boater. These clubs ranged from social clubs which run races and social events to clubs which provided a full range of facilities for its members. Of those clubs surveyed (52% of the total clubs), approximately half were social clubs.

The clubs which provided facilities were larger and charged higher initiation and annual dues. The 1989 average size of membership for these clubs was 600 (Exhibit 13.2). Initiation fees for these clubs averaged $1,500 and ranged from $190 to $4,500. Members 1989 yearly dues averaged $400 and ranged from $40 to $2,000. Members initiation fees and yearly dues were put towards facilities and services offered by the clubs. Each club varied in what it offered to its members. The range of facilities and services included:

- moorage
- satellite moorage (moorage located away from base facility)
- clubhouse
- boats for members use
- lessons
- races/regattas
- social events.

The events offered by these clubs included local events such as picnics and races as well as events which took place away from the clubs home base, such as weekends or weekday multi-day cruises and races. In 1989 these clubs generated an estimated $4.8 million in revenue and 95 person years of employment. Most of these full service clubs were run as non-profit organizations.

Exhibit 13.2 Profile of Yacht Clubs

	Full Service Club	Social Club	Total
Total No. Clubs	21	25	46
Average Membership	600	80	-
Total Membership	12,600	2,000	14,600
Revenue $000's			
Average/Club	$ 230	$ 4	$ 108
Total Revenues	$ 4,860	$ 100	$ 4,960
Positions/Jobs (No.)			
January 1989	85	-	85
April 1989	100	-	100
July 1989	105	-	105
October 1989	80	-	80
Person-Years Employment (No.)	95	-	95

Source: Survey of Yacht Clubs, 1989.

The 25 social yacht clubs did not have paid staff and were run by volunteers from the club. These clubs, on average, were smaller; 1989 average size of membership was 80 (Exhibit 13.2). Typically members of these clubs only paid yearly dues. The 1989 average was $55 per year. Most of these clubs were organized so that sailing members could compete under Canadian Yachting Association (CYA) rules. They held events such as races, socials and multi-day cruises. A limited number only held social events. The total 1989 revenue generated by these clubs was $100,000.

The yacht clubs reported that interest in boating is on the increase. Key indicators that they pointed to were increased membership, waiting lists and increased demand for moorage space. As a result, many clubs were reviewing future plans for renovations and expansion. A few of the social clubs were also looking into the possibility of providing moorage facilities for members. According to the club managers, members had expressed several concerns regarding their boating activity along B.C.'s coast. These were:

- lack of marine parks
- loss of good anchorage to other coastal users (i.e. aquaculture)

- poor federal dock facilities and competition for space with commercial crafts
- pollution.

Boating Schools

There were 31 boating schools which provided either power or sail cruising boating instructions. Most (95%) of these schools were located in either Vancouver or Victoria. These schools offered single or multi-day instruction. In addition, the instruction could have taken place in the school centre or during a multi-day cruise to other areas. These teaching cruises were typically 5-7 days in length and the popular cruising destinations were the Gulf Islands, San Juan Islands and Desolation Sound. Half of the schools were open year round and the other half varied from 2 to 6 months of operation over the summer months. The courses taught by these schools were primarily approved by the CYA or were Power Squadron courses.

Approximately half of the schools were run for profit and the other half were non-profit (Exhibit 13.3). The total 1989 revenues generated by the profit-oriented schools was $6.04 million. The non-profit schools had revenues of $175,000 in 1989. A small number of the profit-oriented schools also ran sail charters and were included in the operators surveys. Of the total revenues in Exhibit 13.3, $600,000 had already been included in the sail cruising revenues. It was not possible to report on course fees as most schools offered a wide selection of courses and the corresponding fee structures varied significantly. In addition, attendance figures ranged from 30 to 13,500 students and it was not possible to calculate averages. The non-profit schools were staffed by volunteers and the for-profit schools provided 120 person-years of employment in 1989.

Exhibit 13.3: Profile of Boating Schools

	For Profit	Not for Profit	Total
No. Schools	15	16	31
Total Revenues $000's	**$ 6,040**	**$ 175**	**$ 6,215**
Positions/Jobs (No.)			
January 1989	85	-	85
April 1989	140	-	140
July 1989	155	-	155
October 1989	100	-	100
Person-Years Employment (No.)	120		120

Source: Survey of Boating Schools, 1989.

The boating schools reported that enrollment has increased over the past three years. A few of the schools indicated that they are investigating expansion plans. Constraints to growth identified by the schools included:

- a fragmented and young industry
- lack of government awareness
- upcoming GST and its impacts on enrollment
- absence of community support.

13.3 Marine Related Services

Air Charter Services

As part of the assessment of the marine tourism industry, a brief examination was made of the air services industry. The research involved a survey of 15 firms selected from a population of approximately 60 air charter firms located in coastal areas of British Columbia. An attempt was made to ensure that the areas serviced by companies in the sample included all significant marine tourism locations.

The air service industry covering the West Coast of BC had a large number of small operators. Since the advent of deregulation, the market had become increasingly competitive and some companies were struggling to survive. This situation had caused firms to take a more aggressive approach to securing market share. The companies typically operated three and six passenger planes in both wheeled and float configurations. A few firms offered 14 seat or 50 seat planes. Because most companies operated the smaller aircraft, price competition, destinations, and schedules were the primary factors differentiating the majority of participants.

The industry's revenue mix involves the following components; logging/forestry, fisheries, Native communities, general commuter traffic, medivac services, and tourism. Based on the sample of firms contacted, tourism is increasing its importance in the companies' business mix. For some firms, catering to tourism represents an opportunity to compensate for the decrease in forestry revenues. For others, tourism represents an opportunity to expand or make better use of existing air carrying capacity.

The total 1989 revenue attributed to marine tourism was estimated to be $16 million (Exhibit 13.4). Marine tourism related air services represent approximately 20% of gross revenue for most companies in the sample. However, some of the larger firms had specialized and the marine tourism comprised 40% or more of gross revenue. With the exception of a few small operators, sportsfishing related air services (transporting anglers and moving supplies) represented 75 to 95% of the marine tourism revenues. The balance of the marine tourism related revenues involved sightseeing, wildlife viewing, wilderness adventures, and servicing the U.S. yacht community.

Exhibit 13.4 Overview of Air Charter Services

Revenues ($ million)	
Total Gross Revenues	$70.0
Marine Tourism Revenues	$16.0
Marine Tourism Revenues from Sportfishing Related Activities	$13.5
Marine Tourism Revenues Not Included as part of Package	$7.0
Position/Jobs (No.)	
Jan. 1, 1989	700
April 1, 1989	800
July 1, 1989	950
Oct. 1, 1989	700
Person Years Employment (No.)	
Total	785
Marine Tourism	180
Sportfishing Based	150
Non-package Based	80

Source: Extrapolated from survey of Air Charter Operators, 1989.

Most of the air companies catering to the marine tourism industry served one or more of four general areas; the west coast of Vancouver Island, Campbell River/Stuart Island area, Bella/Rivers Inlet area, and the Prince Rupert/Queen Charlotte Islands area. Due to the location of the sports fishing lodges, Campbell River, Port Hardy, and Prince Rupert were important connector points for scheduled services. Visitors flew from Vancouver or other origins to a connector point and took a charter float plane to the lodge. Many of the carriers had opened a base in Vancouver to capture a piece of the scheduled business and offered the regional connection as well.

The arrangements with lodges varied considerably. Some companies were successful at obtaining an exclusive charter contract to fly in guests from a connector point or directly from Vancouver or Seattle. Smaller lodges buy blocks of seats on scheduled flights and arrange for a charter from the nearest connector point. Lodges that operated on a fixed package basis allowed air service companies to contract for regular flights at specific times on specific days knowing that the round trip will be full. This provided for an economical use of the plane and afforded opportunities for reduced rates. It appeared that carriers offering larger capacity planes

had a cost advantage when bidding for lodge business. This was particularly the case when considering direct flights from major centres (Vancouver or Seattle) and when dealing with larger volume lodges.

Total sportfishing related air charter revenues were an estimated $13.5 million with approximately $6 million of this included in the price of sportfishing packages. The remaining $7.5 million represented air transportation cost incurred by lodge guests and independent anglers that do not form part of the lodge package.

Most of the air service operators expressed an interest in expanding the marine tourism part of their business. This would require increased services or scheduled runs, increased carrying capacity, more aggressive pursuit of sportfishing lodge operators, and commitments for a specific amount of business or exclusive contracts. Operators were concerned about:

- the effect of the GST on the attractiveness of the Canadian sportsfishing product (compared to the alternatives such as lodges in Alaska)
- the general health of the economy in the U.S. and its impact on U.S. sourced sportsfishing volumes
- the financial stability of some of the sportsfishing lodge operators
- competition from U.S. based carriers which operate under less restrictive regulations and lower operating costs (including loading capacity, required overhaul frequency, fuel costs, insurance, wage rates, and the cost of aircraft parts)
- potential competition from U.S. carriers between points in Canada under open skies policies
- high cost of money in Canada and its effect on the ability to purchase larger aircraft.

Marine Trades

Marine trades included a range of businesses serving both the recreational boater and commercial operators such as boat retail, manufacturing, repairs and other commercial operations. While there were not detailed statistics available for the marine tourism component of marine trades, some broad indicators of the size and importance of these suppliers to both recreational and other boaters are provided below:[1]

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[1] Marine Trades Association of British Columbia, The Recreational Boating Industry in British Columbia, Selected Statistics, May 1989.

- Boat retail sales in British Columbia were estimated at about $108,000,000 in 1988, excluding about $33,000,000 for engine sales.

- In 1986 an estimated 95 establishments located in British Columbia were involved in building and/or repairing recreational boats. These businesses generated wages of about $16.8 million and employed about 830 full-time employees. Estimates of the number of companies currently involved in the building and repairing of recreational boats in British Columbia was about 200 companies.

13.4 Public Sector Facilities

Small Craft Harbours

The province has an extensive network of small craft harbours which have been developed, maintained and operated under the mandate of the federal government. Currently, the mandate of the small craft harbours is to serve both the commercial and recreational user. Historically, the emphasis was on serving commercial vessels, however, with the increase in number of boaters along the coast, the importance of the recreational boater has increased with respect to these facilities. Comprising of approximately 215 harbours in all, the majority were located in the Lower Mainland, Gulf Islands and Sunshine Coast areas. The small craft harbour facilities vary in the services they provided with full service facilities generally offering:

- berthage and moorage
- boat launching ramps
- aircraft float
- garbage
- waste-oil services
- parking
- derrick
- water
- fire protection
- lights, power and telephone
- washrooms and showers
- storage sheds.

In more remote areas of the coast, small craft harbours only provided basic services such as fuel and moorage. In general, about one-third or less of all small craft harbours in the province provided garbage, parking and water services (Exhibit 13.5).

Exhibit 13.5: Small Craft Harbours Services

Region	Total # Harbours	Garbage %	Parking %	Water %	Power %	Toilets %
North Coast	41	27	20	24	7	5
Vancouver Island North	19	37	26	37	11	-
Vancouver Island West	32	36	16	25	10	6
Campbell River	45	36	22	22	11	2
Strait of Georgia	78	27	17	27	10	9
Total	**215**	**32**	**20**	**26**	**11**	**5**

Source: Guide to Federal Small Craft Harbours, 1989

In addition to the harbour facilities, there were a total of 186 mooring buoys located at 55 sites throughout the coast. Of these sites, 76% were located in the North Coast, 22% in Vancouver Island West and 2% in Vancouver Island North regions.

Small craft harbour management is primarily the responsibility of the Department of Fisheries and Oceans (72% of all small craft harbours) with some facilities managed directly by Transport Canada (23%). Harbour Commissions manage some of the larger small craft harbour facilities (5%). The Department of Fisheries and Oceans (DFO) has recently initiated a program to encourage local government to assume management of small craft harbour facilities in their communities through establishing a Harbour Authority and negotiating an agreement for delegation of management responsibilities with DFO through a Harbour Authority Agreement.

Small craft harbours under the management of DFO generated about $ 1.5 million in berthage revenues for an 11 month period from April 1, 1989, to February 28, 1990. Thirty-eight percent (38%) or $572,000 of that revenue was generated in the summer season (April 1 to August 31, 1989) primarily by the recreational boater. The remaining 62% of the total revenue was attributed to the commercial fishing industry, the major client base for small craft harbours.

Small craft harbours play an important role in the province's economic fabric, serving as transportation infrastructure for a variety of economic activities ranging from the commercial fishery to forestry and commodity transportation. In recognition of this role, the Province has initiated a process to develop a port's policy intended to "... ensure that the province's ports are developed, administered and operated to support to the fullest extent possible, the economic and social objectives of British Columbia, while at the same time serving the broader regional and national interests".[2] Some of the key ingredients of that proposed policy are:

- enhanced participation by the Province in port planning and development
- increased local decision making and autonomy related to port management, planning and development
- encouraging port competitiveness with U.S. counterparts
- consideration for establishing provincial enabling legislation related to ports.

While small craft harbours are oriented primarily to economic activities other than tourism, many marine tourism operators reported that they relied on small craft harbour facilities in offering their product. In some cases, operators suggested that enhanced, and guaranteed access to small craft harbours should be provided while in other cases, operators suggested additional facility development to support their efforts for growth.

Marine Parks

The province has an extensive network of marine parks, largely concentrated in the southern portion of the province within the Sunshine Coast, Lower Mainland and Gulf Island areas. A total of 31 parks were found in the marine park system with about 12,450 hectares designated for marine park use (see Exhibit 13.6). While set aside primarily for the use of British Columbia residents, many of these marine parks also served as destinations or stopovers for marine tourism operators offering cruising and related packages. The largest marine park in the system, by a significant margin, was Desolation Sound which comprised about two-thirds of the total designated area for marine parks.

Most of the marine parks located in the Lower Mainland and Gulf Islands areas had a range of facilities including campsites, picnicking, and hiking trails (Exhibit 13.6). Parks located in more northerly areas (the Sunshine Coast and east Vancouver Island areas) offered fewer facilities. For example, only two of the 13 parks in this area included campsites or picnicing facilities.

[2]Ministry of Transportation and Highways, British Columbia Ports Policy: Discussion Paper, August 1989.

Exhibit 13.6: British Columbia's Marine Park System

	Area	Toilets	Campsites	Picnicing	Hiking Trail
Lower Mainland & Gulf Islands Region					
Discovery Island	61				
D'Arey Island	84		x		
Sidney Spit	400	x	x	x	x
Isle-de-Lis	5		x		
Beaumont	59	x	x	x	x
Cabbage Island	4		x	x	
Princes Margaret	194	x	x	x	x
Winter Cove	91	x			x
Whaleboat Island	10				
Montague Harbour	97	x	x	x	x
Pirates Cove	31	x	x	x	x
Newcastle Island	336	x	x	x	x
Indian Arm	5		x	x	
Plumper Cove	57	x	x	x	x
Halkett Bay	309				
Porteau Cove	57	x	x	x	
Subtotal	1800				
Sunshine Coast/to Port Hardy					
Sinson	461				
Squitty Bay	7				
Smuggler Cove	182				x
Sechelt Inlets	155		x		
Garden Bay	163				
Sandy Island	33	x			
Copeland Island	437				
Mansons Landing	100	x			x
Desolation Sound	8,256	x			x
Rebecca Spit	177	x		x	x
Octopus Island	109				
Thurston Bay	389				
Princess Louisa	44	x	x	x	x
Subtotal	10,513				
West Vancouver Island					
Gibson	142				
North Island					
Echo Bay	2				
Overall Total	12,457				

Source: Ministry of Parks. 1990. Park Data Handbook 1989. Victoria.

Attendance at the province's marine parks included those using campgrounds, day users of the facility, and visiting boaters. Visitation statistics by region (from the Ministry of Parks) for 1989 are shown below.

1989 Attendance (Parties)

	Campground	Day Users	Boaters
Lower Mainland & Gulf Islands	21,456	121,277	42,271
Sunshine Coast to Port Hardy	68	50,022	17,677
Total	21,524	171,299	59,948

Statistics were only available for the two southern regions and, even here, there were no statistics available for some of the more remote marine parks. Consistent with their facility mix, those marine parks in the Lower Mainland and Gulf Islands areas attracted the greatest number of campers. Parks with the highest campground usage were Beaumont, Montague Harbour, New Castle Island, and Porteau Cove. Day usage was dominated by Porteau Cove with about 73,150 day-use parties visiting the park in 1989. Usage ranging from 12,000 to about 17,700 was reported by New Castle Island, Montague Harbour, and Beaumont marine parks. The majority of the remaining marine parks in this area did not experience any day usage. Day usage at marine parks in the Sunshine Coast area was minimal with the single exception of Rebecca Spit, where about 43,200 day-use parties were reported in 1989.

Visits by boaters were significant throughout all marine parks in the two regions discussed above. The highest boater visitation reported in the Lower Mainland and Gulf Islands areas was New Castle Island with about 11,300 boating parties followed by Montague Harbour with about 7,230 parties. In the Sunshine Coast area, boater parties to Desolation Sound dominated all park visitations in this area with about 9,320 boater party visits or about 53% of all boater party visits to marine parks in this region.

In addition to the marine park network, there are a host of provincial parks or recreation areas located along the coastline which also provide both marine recreation and tourism activities. To numerous to report here, some of the major ones include the Pacific Rim National Park and the South Moresby National Park Reserve. In the latter case, this is a favourite destination for sea kayaking, wildlife viewing and Haida cultural interpretation.

The location of the marine park network in British Columbia reflects important marine park resources generally located close to the population centres of the Lower Mainland and Victoria. With some exceptions, Desolation Sound being the most notable, these parks are located generally within reasonable travel distances for British Columbia resident boaters within the southern portion of the coast. At the same time, there are no marine parks in northern coastal

areas of the province, even though there are several areas where tourism resources currently provide or potentially offer high tourism value.

13.5 Recreational Boating

The recreational boater plays an important role with respect to boating activity along B.C.'s coastline. Once the boater leaves their home port they require fuel, supplies and moorage as they tour the coast. The boater may only go out for a half or full day trip and in that case would undoubtedly stay within the immediate area of their home port. Some boaters also undertake multi-day cruises venturing further away from their home port and requiring fuel, supplies and short term moorage. The 1989 marina related expenditures generated by the recreational boater has been captured through the operator's survey. However, important features of the recreational boater such as level of participation, demographics, geographical distribution and needs and expectations have not been addressed. The user survey described in Section 12.0 provided some insight into the recreational boater. Beyond that there is limited information available on the recreational boater in British Columbia.

In compiling the literature it became evident that there is a need to better understand the role of the recreational boater and to identify, from a product perspective (i.e. marinas, marine parks, and attractions), what is required to maintain and increase participation levels. The U.S. National Sporting Goods Association and Statistics Canada Household Facilities and Equipment Survey provided statistics on the recreational boater.

Recreational boating is popular in British Columbia. Compared to the Canadian average, a great number of household in British Columbia owned one or more boats. Twenty percent (20%) or 239,000 B.C. households owned boats in 1989. Of these households, 124,000 owned power boats and 20,000 owned sailboats.

Boat ownership amongst Canadians was most common with the 45 - 54 age group (20.9%) and, combined with the 35-44 age group, represented 43% of the boat owners. This was also the group with the highest average income. Two out of ten families with children owned a boat and the urban households were less likely to own a boat. One household in ten living in larger Canadian centres (500,000 + population) owned a boat compared to one in four in rural areas.

The U.S. statistics provided insight into the participation rates in recreational boating and saltwater fishing. Based on surveys conducted by the National Sporting Goods Association (NSGA), 26 million U.S. residents participated in power boating in 1986. Of those, 29% were frequent boaters (20 plus days). Sail boating was not as popular as power boating. Only 5 million U.S. residents participated in sailing in 1986. Frequent sailors represented 20% of the total number. The sail boater typically comes from a higher income household; 27% had an income of greater than $50,000 and 32% had an income of $35,000 to $49,000. Household incomes for power boaters were more commonly within the $25,000 to $49,000 range (52%).

Information on saltwater fishing was also available from the NSGA. In 1986, 13 billion U.S. residents participated in saltwater fishing. Frequent anglers were 24% of the total. The number of frequent anglers was broken down by state. California had 400,000 frequent anglers (20 plus days a year), Washington 67,000 and Oregon 16,000 Other key states included Texas with 133,000 frequent anglers, New Jersey with 271,000 and New York with 175,000.

U.S. Entries to British Columbia by Boat

There are 11 ports of call along the coastline where U.S. boaters could enter Canada. The majority of these were in the southern portion of the coast (Exhibit 13.7). In 1989, a total of 43,039 U.S. boats entered British Columbia waters for a multi-day cruise. An additional 1,906 boats entered B.C. for a one day visit.

Exhibit 13.7: U.S. Entries to British Columbia by Private Boat

	South Coast	Central Coast	North Coast	Total
Ports of Entry	Victoria Vancouver Seaport Syndey Nanaimo Bedwell Harbour	Port Alberni Courtenay Campbell River Power River	Prince Rupert Douglas Channel	
No. Boat Entries in 1989				
One-day Visit	1,514	79	313	1,906
Multi-day Visit	40,765	971	1,303	43,039
% Increase Over 1985				
One day Visit	61%	na[a]	156%	77%
Multi-day Visit	1%	na	6%	2%

a. Statistics for 1985 for these ports of call cannot be compared with 1989 statistics.
Source: Statistics Canada, Education, Culture and Tourism Division, 1990.

Forty-nine percent (49%) of all overnight boaters cleared customs at Bedwell Harbour. Fifty-three percent (53%) of all one day boaters cleared customs at Victoria. It is interesting to note that the number of overnight boat entries had not increased since 1985. However, one-day boat entries increased 77% since 1985. The 43,039 multi-day boat entries represented a far greater number of boaters. Many of the larger U.S. boats travelled the B.C. coastline and picked up new passengers who were flown in from the U.S. These stayed within B.C. waters for several months and entertained several passengers. Two popular areas for these vessels to position themselves was Desolation Sound and Sullivan Bay/Greenway Sound area. The majority of the U.S. boats stayed within B.C. waters and were not heading up to Alaska. If one assumes that

U.S. boats stayed within B.C. waters and were not heading up to Alaska. If one assumes that all of the northern B.C. entries were returning boats to southern states, then 3% of the boat entries were Alaska bound and the remaining 97% stayed within British Columbia.

Cruising Destinations

In the past, Desolation Sound was the northern limit for most recreational boaters, but the marina operators and boating associations stated that the trend is for the boater to travel further north. The vessels available to the recreational boater are becoming more sophisticated and include advanced navigational equipment. In addition the average size of the recreational boat is increasing. As a result of these vessel improvements the recreational boater is able to travel further to more remote locations. The marina operators and boating associations also stated that moorage facilities and services could limit the range of these vessels and in response to this trend marina facilities which cater to the transient boater are being developed in more remote locations.

13.6 Coastal Accommodation

Coastal Second Home Owners

Dotted throughout the coastline are second homes, i.e. summer cottages, where residents of urban centres can get away and experience the coastal setting. Most of these homes are accessed by road although some are located in more remote locations, only accessible by boat. Much of the expenditures by second home owners for marine related services such as fuel supplies and moorage have been captured through the marina operators survey. Statistics on the second home owner was limited and consequently very little was known about this group. General statistics on the number of second homes by school district were available through the Ministry of Finance and Corporate Affairs.

A total of 4,626 second homes were located along the coast as follows:

Souther Strait Georgia plus Victoria - Sooke	3,820
Campbell River/Barkley Sound	624
Northern Vancouver Island	59
North Coast	123

The Gulf Islands and Sunshine Coast had the greatest concentration of second homes, 40% and 30% respectively. These areas are within 2-4 hours drive from either Vancouver or Victoria. Detailed statistics on the level of use of second homes was unknown. However, weekends and the months of July and August were popular times for second homes.

Ocean Front Accommodation

British Columbia's coastline is a popular location for tourist accommodation from hotels to campgrounds. An estimated 262 properties provided about 7,300 units along the coastline

outside the urban areas of Vancouver and Victoria. These were properties listed in the British Columbia accommodation guide which featured a "marine experience" in their accommodation guide description (Exhibit 13.8). In addition to scenic, oceanfront vistas, many properties chose such a location because of the capacity to offer, directly or indirectly, activities such as boating and fishing. All of the properties shown in Exhibit 13.8 offered either boat rentals or other oceanfront activities.

Exhibit 13.8: Accommodation Properties on the Ocean[a]

	No. Properties	No. Units	Average Price per Unit ($)
Vancouver Island			
Lodges/Hotels	34	1,353	$76.60
Cottages/Motels	103	1,812	51.60
Bed & Breakfast	13	65	53.50
Campgrounds	55	2,914	11.60
Total	**205**	**6,144**	**38.20**
Sunshine Coast			
Lodges/Hotels	2	41	42.50
Cottages/Motels	13	144	42.00
Bed & Breakfast	1	6	40.00
Campgrounds	13	357	9.90
Total	**29**	**548**	**21.10**
North Coast			
Lodges/Hotels	4	102	63.80
Cottages/Motels	15	251	43.80
Bed & Breakfast	1	2	50.00
Campgrounds	8	257	7.50
Total	**28**	**612**	**31.90**
British Columbia			
Lodges/Hotels	40	1,496	74.80
Cottages/Motels	131	2,207	50.10
Bed & Breakfast	15	73	52.30
Campgrounds	76	3,528	11.10
Total	**262**	**7,304**	**36.30**

a Excludes Vancouver and Victoria properties.

Source: British Columbia Accommodation Guide.

The estimated revenues of oceanfront accommodation properties in 1989 was $71 million of which an estimated $47 million was generated through room or campsite rentals (Exhibit 13.9). This represents a significant contribution to British Columbia's overall tourism sector and provides further evidence of the importance of the marine environment to British Columbia's tourism product.

Exhibit 13.9: Estimated Revenue of Oceanfront Accommodation Properties in British Columbia (1989)

	No. Units[a]	Average Price per unit	Occupancy	% Room Revenue to Total Revenue	Estimated Revenue Room ($ millions)	Estimated Revenue Total ($ millions)
British Columbia						
Lodges/Hotels[b]	1,496	$74.80	50%	.515	$20.4	$39.7
Cottages/Motels[c]	2,207	50.10	50%	.910	20.2	22.2
Bed & Breakfast[d]	73	52.30	50%	1.000	0.7	0.7
Campgrounds[e]	3,528	11.10	40%	.670	5.7	8.5
Total	**7,304**	**36.30**			**47.0**	**71.1**

a Exhibit A.1

b Occupancy estimated at 50%, or slightly lower than 59% occupancy in 1988 for provincial resorts (Stevenson, Kellogg Ernst & Whinney, The B.C Hotel Industry Study, April 1989)

c Occupancy estimated at 50%, or slightly lower than 56% occupancy rate in 1986 for provincial motels (The Economic Planning Group of Canada, British Columbia Motel Industry: A Status Report, September 1987)

d Estimate

e Estimated as the same 40% occupancy rate for RV's in 1988 (The Economic Planning Group of Canada and Marketrend Marketing Research, British Columbia Recreational Vehicle Campground/Resort Study Phase I Main Report, November 1989).

14.0 Provincial Economic Impacts

The marine tourism industry makes an important economic contribution to the province. Economic impacts arise directly from income and employment to marine tourism operators and workers. In addition, spinoff effects occur through linkages to suppliers of goods and services to the industry and through the respending of wage income on consumer goods and services. The sum of direct industry, indirect supplier and induced spending impacts represent the total economic impact of the industry.

Income represents the sum of business income[1] and wage and salary payments -- income sometimes is called Gross Domestic Products (GDP) or Value-Added. Employment is measured in person-year equivalents to facilitate comparison to other economic sectors.

The total magnitude of impacts depends both on the absolute level of expenditures as well as the multiplied effects on the rest of the province. The multiplied effect depends on the economic structure of the province, particularly the import content of goods and services purchased. Imports, as well as taxes and savings, represent a leakage from the provincial economy, (i.e. money spent on imports is not available for respending within the province).

The economic profiles of each marine tourism sector (Section 3.0 through 11.0) and multiplier analysis are used to estimated the impacts of the industry on the total province. The direct impact indicators for all 9 sectors are presented in previous sections. These 9 sectors fall into two broad industry categories: fishing related and coastal experience. The provincial economic impacts of the marine tourism industry have been calculated for these two broad categories.

14.1 Income and Employment Impacts

The $221.7 million in industry revenue in 1989 can be broken down as:

	Fishing Related ($ millions)	Marine Experience ($ millions)	Total ($ millions)
Wages Paid	$41.3	$12.1	$53.4
Business Income	79.8	9.8	89.6
Purchases in B.C.	54.7	19.8	74.5
Purchases Outside	3.3	0.9	4.2
Total Revenue	179.1	42.6	221.7

Approximately half the $4.2 million in external purchases represented advertising and promotion expenditures.

[1] Business income or capital surplus comprises: 1) interest payment on borrowed capital, 2) a depreciation reserve for the replacement of capital, 3) taxes including licenses and permits, and 4) after-tax profits or the return to capital.

Direct, indirect and induced, and total impacts of industry revenues and activities are presented in Exhibit 14.1. The industry directly generated $143 million in income, $53 million in wages and salaries, and 3,590 person-years of employment in 1989. The bulk of impacts arose from fishing-related operations rather than coastal experience operations.

Exhibit 14.1: Direct Impact of Marine Tourism Operations

	No. Operators	Direct Impact Indicators: Revenues	Income[a]	Wages & Salaries[b]	Investment[c]	Employment[d] (PY's)
		$	$ million			
Sportfishing Related						
Lodges						
Full Service	60	$58.7	$29.8	$15.3	$98.8	810
Economy	20	1.8	1.1	0.6	3.7	50
Subtotal	80	60.5	30.9	15.9	102.5	860
Overnight Charters						
Full Service	10	8.0	3.4	1.8	12.9	95
Economy Service	20	0.7	0.4	0.3	2.2	30
Subtotal	30	8.7	3.8	2.1	15.1	125
Day Charters	300	8.2	5.0	2.9	18.3	390
Marinas	165	101.7	81.4	20.4	191.3	1250
Total Fishing Related	**575**	**179.1**	**121.1**	**41.3**	**327.2**	**2625**
Coastal Experience						
Power Cruising	70	22.3	9.6	6.6	42.6	430
Sail Cruising	50	8.3	4.8	1.9	21.5	215
Wildlife Viewing	50	4.2	2.2	1.7	11.9	175
Scuba Diving	20	3.4	2.7	1.1	2.3	70
Kayaking	15	4.4	2.6	0.8	3.6	75
Total Coastal Related	**205**	**42.6**	**21.9**	**12.1**	**81.9**	**965**
Grand Total	**780**	**221.7**	**143.0**	**53.4**	**409.1**	**3590**

a Income or value-added is the sum of wages and salaries plus business income (business income or capital surplus comprises interest payments, depreciation, taxes and after-tax profits).
b Included in income.
c Original or purchase cost of all investment to date.
d Person-years.

Source: Extrapolated to Total Industry from Marine Tourism Survey, 1989.

The ripple effects on other economic sectors generated additional economic benefits (Exhibit 14.2). The following multipliers were estimated for the total industry:

Multiplier	Indicator
1.73	Income - for every $1.00 of income generated directly to owners and employees, another $0.73 was generated in the supplier and consumer industries.
2.35	Wages & Salaries - for every $1.00 of wages and salaries paid directly to industry employees, another $1.35 was generated in supplier and consumer industries.
1.67	Employment - for every person-year of direct employment, another 0.67 person-year of employment was generated in supplier and consumer industries.

The wage and salaries multiplier is higher than the income and employment multipliers due to the low average wage rate for direct industry employees (i.e., indirect and induced employment has a much higher wage rate).

Exhibit 14.2: British Columbia Economic Impacts from the Marine Tourism Industry 1989

	Direct[a]	Indirect & Induced[b]	Total	Multiplier[c]
Fishing-Related				
Income ($ million)	$121.1	$76.8	$197.9	1.63
Wages & Salaries ($ million)	$41.3	$53.0	$94.3	2.28
Employment (PYs)[d]	2625	1790	4415	1.68
Coastal Experience				
Income ($ million)	$21.9	$27.0	$48.9	2.23
Wages & Salaries ($ million)	$12.1	$19.1	$31.2	2.58
Employment (PYs)	965	615	1580	1.64
All Sectors				
Income ($ million)	$143.0	$103.8	$246.8	1.73
Wages & Salaries ($ million)	$53.4	$72.1	$125.5	2.35
Employment (PYs)[d]	3590	2405	5995	1.67

a. Direct impacts from the economic profile for each sector.
b. Indirect supplier and induced consumer spending impacts from multiplier analysis.
c. The implied economic multiplier is the total impact divided by the direct impact.
d. Person-years.

Source: Extrapolated to Total Industry from Marine Tourism Survey, 1989.

The total impacts of the industry were $247 million in income, $126 million in wages and salaries and 5995 person-years of employment[2].

14.2 Government Direct Tax Revenue

The provincial and federal governments received corporate income taxes and personal income taxes from marine tourism activity. The industry contributed an estimated $34.9 in direct taxes in 1989 -- $11.2 million to the provincial government and $23.7 million to the federal government (Exhibit 14.3)[3]. The direct tax revenue results from total income associated with the industry; (i.e., from the direct plus indirect plus induced income of Exhibit 14.2).

In estimating the above provincial impacts, an "industry approach" was employed. Impacts arising only from revenue of the industry were assessed. Industry revenues excluded expenditures by clients on such items as equipment, travel or accommodation that did not flow through the marine tourism operators. These ancillary expenditures should be credited to retail trade, transportation, hotels/restaurants and the like. The approach taken was consistent with classification procedures used by Statistics Canada, and with studies of other outdoor recreation sectors in British Columbia[4].

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[2] A disaggregate approach was used to estimate total impacts. A Statistics Canada consumption multiplier applied to direct wages was used. The multipliers applied to industry purchases of goods and services were estimated by weighting Statistics Canada multipliers for relevant sectors as determined from the commodity sourcing of purchases (see economic profile for each sector). The in-province impact was then the sum of these two items plus the direct impact. Statistics Canada 1985, 1979, Interprovincial Input Output Model Results, Ottawa.

[3] Ratios of direct taxes to income for the personal and business sectors were calculated from the provincial economic accounts. The effective tax rates were then prorated downward by 10 to 15% to reflect the likelihood that the tax rates for marine tourism businesses and employees would be somewhat less than provincial averages i.e. due to the low level of operator revenues and the low average wage rate. The resulting personal tax rates expressed as a percentage of wage income are 6% provincial and 13% federal. The resulting corporate tax rates expressed as a ratio of capital surplus (income less wages and salaries) are 3% provincial and 6% federal. Statistics Canada. Provincial Economic Accounts Annual Estimates, 1976-1987. Cat. No. 13-213, Ottawa.

[4] The DPA Group Inc., 1989 Guide Outfitters of British Columbia: Opportunity Analysis, Report Prepared for the Ministry of Tourism and Provincial Secretary.
The DPA Group. 1988. Economic Impacts of the Adventure Travel Industry in British Columbia, Report prepared for the Outdoor Recreation Council of British Columbia, Vancouver.
The DPA Group and MacLaren Plansearch. 1988. Fishing Lodges and Resorts in British Columbia: Marketing and Development Initiatives, Report prepared for the Ministry of Tourism and Provincial Secretary.

Exhibit 14.3: Government Direct Tax Revenue from the British Columbia Marine Tourism Industry, 1989.

	Personal Income Tax	Corporate Tax	Total Direct Taxes
	..... $ million		
Fishing-Related			
Provincial	$5.7	$3.1	$8.8
Federal	12.3	6.2	18.5
All	**18.0**	**9.3**	**27.3**
Coastal Experience			
Provincial	1.9	0.5	2.4
Federal	4.1	1.1	5.2
All	**6.0**	**1.6**	**7.6**
All Sectors			
Provincial	7.6	3.6	11.2
Federal	16.4	7.3	23.7
All	**24.0**	**10.9**	**34.9**

Source: Extrapolated to Total Industry from Marine Tourism Survey, 1989.

15.0 Industry Constraints

The marine tourism industry depends on effective packaging of British Columbia's coastal resources in the form of experiences which appeal to the marketplace. The continued viability of marine tourism businesses depends on maintenance of the quality of this resource base, and of a financial and operating environment within which they can operate successfully.

15.1 Resource Dependency

All sectors in the marine tourism industry sell an experience which is dependent, to a greater or lesser extent, on the coastal resources of the province. From the perspective of the industry as a whole, the most important resources by a significant margin were fish and scenic coastline areas. The majority of marine tourism operators across all sectors identified these two resource attributes above all others.

Resource	% Respondents (All Sectors)
Fish	82
Scenic	71
Marine Mammals	42
Anchorage	39
Beaches	35
Marine Birds	33
Coastal Parks	32
Fjords	30
Subtidal	24
Historic	23
Native	21

Marine wildlife (mammals and birds) and coastal features (the availability of good anchorage, beaches and coastal parks and fjords) were next most important from a marine tourism product perspective. Least important were subtidal resources (largely of interest to the scuba sector) and historic and native attractions.

Operators responses related to resource dependency varied significantly by sector. All sportfishing related sectors (Exhibit 15.1) identified fish as the most important resource for their business and all but one (ie, economy sportfishing overnight charters) cited scenic coastlines as the next most important resource attribute. Marine mammals were important to day fishing charters, full service sportfishing lodges, and economy sportfishing overnight charters. Sportfishing operators may offer wildlife viewing as a supplement to their sportfishing services.

Exhibit 15.1: Operational Responses on Resource Dependency

Resource Mentions	Day Fishing	Full Lodge	Economy Lodge	Marina
Most Frequent	Fish (98)[a]	Fish (100)	Fish (100)	Fish (98)
2nd Most Frequent	Scenic (60)	Scenic (54)	Scenic (58)	Scenic (72)
3rd Most Frequent	Marine Mammals (31)	Marine Mammals (29)	Beaches (50)	Anchorage (42)

	Full Service Fish Charter	Economy Fish Charter	Power	Sail
Most Frequent	Fish (100)	Fish (100)	Scenic (84)	Anchorage (100)
2nd Most Frequent	Scenic (71)	Marine Mammals (91)	Coastal Parks (58)	Scenic (95)
3rd Most Frequent	Anchorage (57)	Scenic (64)	Anchorage (58)	Coastal Parks (79)

	Wildlife	Kayak	Scuba
Most Frequent	Marine Mammals (88)	Scenic (100)	Fish (80)
2nd Most Frequent	Scenic (88)	Marine Park (100)	Subtidal (80)
3rd Most Frequent	Marine Birds (82)	Subtidal (100)	Marine Mammals (60)
		Marine Mammals (100)	
		Nature (100)	

a: Numbers in brackets indicates % of operators mentioning the resource by sector.

Source: Marine Tourism Operators Survey, 1989.

Operators providing a general coastal experience (Exhibit 15.1) exhibited a much more varied response to the important resource attributes from the perspective of their businesses. Power and sail cruising operators were generally consistent in identifying scenic coastlines, coastal parks, and anchorages as the most important resource attributes, although the order of importance varied for each (Exhibit 15.1). Wildlife viewing operators assigned virtually equal importance to marine wildlife and scenic coastlines while scuba operators cited fish, subtidal marine life, and marine mammals as most important. Sea kayaking operators identified the widest range of resources as important to their businesses, citing scenic coastlines as well as marine wildlife, subtidal resources, and native attractions.

15.2 Resource Base Concerns

As part of the operator survey, operators were asked what they considered to be the three most serious problems regarding "...the natural resources, land base or wildlife/fish stock". Concerns with the fishery dominated operator responses with 23% mentioning the commercial fishery and 19% mentioning fish stocks as the most serious resource problems (Exhibit 15.2). Pollution, logging and general concerns related to government resource management practice ranked third, fourth and fifth respectively as the most serious resource problems identified by marine tourism operators.

Exhibit 15.2: Operator Responses on Resource Problems

	% Respondents		
Problem Area	Most Serious	Second Most Serious	Third Most Serious
Commercial Fishing	23	9	7
Fish Stocks	19	16	11
Pollution	17	20	27
Logging	15	10	13
Resource Management	10	13	7
Pulp Mills	5	3	1
Overcrowding	4	5	3
Aquaculture	1	7	5
Oil Spills	1	5	2
Government Issues	1	2	9
Enforcement	1	2	4
Red Tide	1	1	1
Native Overfishing	1	4	1
US Vessels	-	-	1
Regulations	1	1	4

Source: Marine Tourism Operators Survey, 1989.

The top five problem areas described above were also consistently mentioned most frequently as the second and third most serious problem areas related to the resource base faced by marine tourism operators. Concerns related to pollution were surprisingly most frequently mentioned as both the second and third most serious problems.

From this overall viewpoint, it is clear that these five resource issues are the priorities from the perspective of marine tourism operators and thus constitute those which should be tackled first in considering any initiatives for the industry[1].

Perspectives of Sportfishing Related Operators

Operators offering a sportfishing related product identified issues related to the state of the fishery as the most serious problem facing their industry. The list of specific concerns was lengthy and ranged from habitat degradation to Department of Fisheries and Oceans management and allocation policies. At the heart of all concerns related to the fishery resource is the operators perception that fish stocks are declining and their belief that their long term ability to meet client expectations for a coastal sportfishing experience is in jeopardy. These concerns were expressed by operators in several forms including:

- **Fish Stock Issues**

  - spawning habitat destruction
  - over-use of the resource by the commercial fishing industry
  - driftnet and seine fishery practices
  - pollution impacts on the fishery
  - escapement from fish farms
  - foreign commercial fishing practices
  - overfishing of herring and bottom fish

- **Fisheries Management**

  - DFO commercial fishery management policies
  - DFO allocation policies
  - lack of recognition of the importance of sportfishing by DFO
  - lack of enforcement by DFO for the commercial fishery
  - a need for greater enhancement programs
  - protection of spawning streams and other habitat
  - poor enforcement by DFO
  - the need for size restriction on salmon
  - uncertainty related to future native fisheries

- **Public Perceptions and Attitudes**

  - the need for greater education concerning conservation and resource protection

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[1] It is noted that government issues were mentioned more frequently than commercial fishing and resource management issues by operators as the third most serious problem they face. However, in a detailed review of responses to this open-ended questions, many of the specific concerns classified as government issues related to concerns as to how government managed the fishery.

- **Fisheries Impact Issues**

  - the need for greater attention to habitat impact considerations for coastal developments
  - absence of recognition of the importance of sportfishing by the Province
  - the need for a stronger provincial role in habitat protection and enhancement initiatives.

The depth of the concern on the part of operators with the fishery resource cannot be over-emphasized. While operators point to the decline of fish stocks as the most important concern, the survey responses indicated that their greatest source of frustration was their sense of powerlessness in their ability to influence the future of the resource.

Less significant, but still important to operators were issues related to pollution and logging. Pollution emerged as a major concern on several accounts, with operators citing industrial waste, oil spills, floating garbage left by boaters, insufficient raw sewage treatment, and air quality degradation as issues which need to be addressed. Some of these concerns were motivated by observations on the impact on fish habitat while others stemmed from a general concern that the overall quality of the coastal environment is diminishing.

In a similar vein, operators identified logging practice (particularly clearcutting) as an important area of concern for the industry. In commenting on logging, many operators pointed to the negative impacts on their product from the loss of a scenic setting in key coastal sites while others expressed concern about the impacts of logging practice on streams and rivers which provide spawning grounds for salmon.

Perspectives of Coastal Experience Operators

Pollution and logging topped the lists of the most serious resource problems identified by coastal experience operators. Like their sportfishing counterparts, these operators commented on industrial discharges, sewage pollution, oil spills, and floating garbage. Several operators mentioned pulp mill pollution with Howe Sound and Burrard Inlet as particular problem areas. These operators also expressed concern about pollution on the province's coastal beaches as an area which needs attention.

Clearcut logging practices along the coast were important concerns for these operators from several perspectives:

- general unsightliness and reduction in the coast's scenic qualities
- diminishing wilderness areas

- the effects on streams and rivers
- reduction in wildlife habitat.

Less dominant, but still important for these operators were issues related to aquaculture. In particular, they mentioned the encroachment by this industry on good cruising anchorages. Operators also identified overcrowding as a concern both in the better cruising grounds in the province as well as in on-shore facilities. Cruising operators suggested that there was a need for more marine parks with good moorage in accessible areas along the coast. Scuba diving operators indicated that there was a need to protect important dive sites from resource harvesting.

Virtually all operators in the coastal experience group also identified concerns with the decline in fish stocks and overfishing by the commercial fishery as important resource concerns. Most operators in this group offer sportfishing as an ancillary or additional activity to their primary product and, in that context, expressed serious reservations about government management of the fishery. At the same time, some of these operators expressed concern about the rapid growth in sportfishing lodges with large capacity boats which, in their view, resulted in a sense of overcrowding in some areas along the coast.

15.3 Business Growth

Operators from all nine marine tourism sectors were confident that their business would grow in 1990 (87% of all operators). Eighty-five percent (85%) of the sportfishing related operators stated that they anticipated their business would grow in 1990. For the coastal experience related operators the confidence in growth was even higher; 89% of the operators.

The operators were also very interested in expanding their business in 1990 (79% of all operators). Three-quarters of the sportfishing related operators stated that they wanted to expand their business. Again, the response was greater for the coastal experience operators; 88% of the operators. In general 38% stated that they propose to expand their business through increased/improved promotion. For the overnight and day charter operators the intent to increase promotion was higher (greater than 50% of respondents). Promotion was followed by the desire to increase waterbased facilities or services; 36% of all operators. Just over half of the marina and wildlife viewing operators were planning on expanding waterbased facilities. The third option for expanding identified by the operators was expanding landbased facilities; 17% of all operators. Those businesses which have a major component of their business on land were more interested in expanding their landbased facilities (full service lodges 56% and marinas 33%).

15.4 Constraints to Business Growth

The development of product and market initiatives for the marine tourism industry also depends on a full understanding of the perceptions of operators concerning constraints to business growth in the future. Operator responses to questions about the three most serious constraints for their future business prospects show a heavy emphasis on finance related concerns (that is, financing, the general state of the economy, the cost of business operation and taxes). The response across all marine tourism sectors is shown in Exhibit 15.3. Finance related concerns exceeded all others by a significant margin based on the percentage of operators who identified these as most serious.

Summarizing the constraint factors illustrated in Exhibit 15.3, one sees that from a business perspective, finance-related and operational concerns assumed much more importance than the public sector regulatory environment and resource related concerns.

Exhibit 15.3: Constraints to Business Growth and Expansion

Constraint Factor	% Respondents Most Serious	2nd Most Serious	3rd Most Serious
Financing	23	8	4
Economy	10	7	16
Costs	10	11	22
Taxes	9	13	12
Fish Stocks	9	10	8
Government	8	8	2
Regulations	7	8	4
Seasonality	5	5	10
Municipal (Regulations)	4	1	-
Area of Operation	3	4	-
Overcrowding	2	5	-
Lack of Facilities	2	3	2
Pollution	2	5	4
Lack of Personnel	1	5	8
Signage	1	1	-
Promotion Funds	1	2	-
Logging	1	-	4
Market	1	3	2
Organization	1	-	-
Native Claims	-	3	1

Source: Marine Tourism Operators Survey, 1989.

	Respondents		
	Most Serious	2nd Most Serious	3rd Most Serious
Finance Related (Financing, Economy, Costs, Taxes)	52	39	54
Government/Regulations	17	6	19
Operational (Seasonality, Area of Operation, Overcrowding, Lack of Facilities & Personnel, Signage, Promotion Funds, Market, Organization)	17	28	23
Resource Related	13	15	16

In reviewing these findings, it should be noted that operators responded in the survey to the business constraint questions after having responded to the questions concerning resource-based concerns. Therefore, the two must be read together to gain a full appreciation of overall operator concerns with future prospects for their businesses.

The summary findings shown above indicate that concern on the part of operators with government focused much more on resource related issues (as described in Section 15.2 previously) than in the area of business constraints to growth. Of all finance related factors, the general state of the economy, costs, and taxes were more important overall than financing (Exhibit 15.3). Combined with findings related to operational concerns on the part of operators, this suggests that operators were particularly concerned about the margins which they can maintain to ensure ongoing viability of their businesses. Interestingly, marketing did not play a major role in operator responses to business constraints, indicating that the cost and operational side was a much more important immediate concern.

Perspectives of Sportfishing Related Operators

Sportfishing related operators reported that financing was the most serious constraint to business growth in their industry. Specifically mentioned were the difficulties in securing funds for capital investment, a general lack of capital funds available to their industry and the difficulty in securing attractive interest rates on financing. Operators across all sectors in this group identified financing as the most serious or second most serious business constraint.

There were distinct differences amongst sectors in business constraint issues beyond financing. Full service sportfishing lodges and overnight charters were generally much more concerned with an onerous government environment and its negative effects on their operations. Examples raised by operators included financial/monetary policies of government, property and federal corporate taxes, the decreasing availability of land for new facilities, the future of native land claims, and the management of Crown leases by the provincial government. In commenting on

the government environment, several operators also pointed to what they perceived to be a lack of recognition on the part of the government concerning the importance of their industry.

Economy service sportfishing lodges and overnight charters focused more on the local operating environment and operating costs as a serious constraint to business growth. Comments here included concerns related to advertising costs, high prices for supplies and fuel, problems meeting municipal by-laws and regulations, and the lack of supporting facilities such as breakwaters, marine facilities, and good moorage.

In addition to financing, day fishing charter operators focused on declines in fish stocks as a serious constraint to business growth. They also mentioned the competitive environment as a concern, particularly related to U.S. residents fishing in Canadian water without Canadian guides and the increasing incidence of "moonlighters" entering the industry.

Marina operators mirrored the concerns of the full service lodge and charter operators, focusing on the general government environment as the major constraint to business growth. Many marina operators also identified constraints related to securing expansion approvals for land-based facilities at the local level and the convulated referral/approval process as a problem.

Perspectives of Coastal Experience Operators

Most operators in this group identified operating costs and the impact of government regulations on operating costs as the most serious constraint to business growth with financing as the second most serious constraint. Operating cost concerns mentioned by operators included personal liability insurance, advertising costs, high prices for fuel and other supplies, and high costs of maintenance. Some operators also mentioned the cost of labour and the difficulty in finding qualified employees. Related to their concerns about operating costs were observations by operators that government regulations made the operating environment difficult. Operator comments here included:

- the lack of clarity in the Canadian Coastguard Regulations
- the lack of choice in moorage facilities
- the Jones Act (preventing Canadian boats from operating in the U.S.)
- permitting and licensing requirements.

Maintenance costs were mentioned by many operators, both from the point of view from regular maintenance but also the requirements to meet regulatory standards for the vessels which they operate.

Financing concerns on the part of these operators were similar to those raised by the sportfishing group; namely access to capital, high interest rates, and the perceived lack of funds for product development and expansion.

There were a variety of other business constraint issues raised by operators. The competitive environment was raised by many including the need to implement an aggressive marketing plan and to work more in partnership with government on marketing. Competition from U.S. charters and unlicensed or illegal foreign and Canadian operators was raised by several operators.

Marketing concerns deserve special mention given that operators in the three largest sectors in this group; power cruising, sail cruising and wildlife viewing all identified marketing as an important growth constraint, although not as significant as government regulations, operating costs and financing. Several operators, though, suggested that there was a real need for more effective marketing tools, greater development of the outdoor travel market, a need for more expertise in marketing, and joint industry and industry/government programs.

15.5 Requirements to Reduce Business Constraints

Operators had a wide range of suggestions for reducing the constraints to business growth. A summary of these suggestions is provided in Exhibit 15.4 by sector and categorized by suggestion area.

It is interesting to note that while operators generally did not see marketing as a key constraint to growth, the majority of sectors placed a much greater emphasis on marketing in offering suggestions on combatting constraints to growth. Other general themes which were raised by most sectors were:

- greater industry recognition, particularly in terms of the economic contribution and viability of industry sectors
- stronger industry organizations to address issues raised by operators related to constraints to growth.

Exhibit 15.4: Operator Suggestions for Addressing Constraints

	Suggestions
Full Service Fishing Lodges	
Financing	• Low interest loans for large operators • Reduce corporate federal taxation
Marketing	• More government help in advertising • Develop better tourism and sportfishing public relations for B.C. in general
Sector Recognition	• Promote the advantages of spinoff benefits to communities through more government information • Encourage greater recognition of the economic importance of sportfishing
Government Relations	• Provide advance notice of government policy changes • Encourage greater commitment and better understanding by government • Encourage government to recognize the economic importance of sportfishing
Industry Organization	• Develop stronger relationship between governing bodies and sportfishing industry • Work together with coastal hotels and resorts to form an organization
Resource Management	• Encourage greater habitat enhancement • Sensibly settle Native claims issues • Stronger controls on commercial fishery • Control growth carefully so as not to spoil product
Economy Service Fishing Lodges	
Financing	• Low interest loans to encourage growth of small operators
Industry Organization	• Encourage government to provide greater assurance and security for the future • Develop stronger political lobby on the part of the sportfishing community
Government Relations	• Encourage reduction in government bureaucracy and red tape • Work with government on a cooperative basis in the opening of more rivers, rather than closures • Work with coastal communities to encourage greater cooperation (e.g., places to stay for employees)
Marketing	• Seek greater help from B.C. Tourism and promotion • Have Canada market sportfishing internationally • Promote coastal products year round
Sector Recognition	• Encourage more advertising by B.C. • Provide greater subsidy for advertising to individual companies • More tv promotion in the U.S.

Source: Marine Tourism Operators Survey, 1989.

Exhibit 15.4: Continued

	Suggestions
Operating	• Encourage recognition by the federal government of the importance of the sportfishing industry • Encourage recognition of industry importance to the B.C. and Canadian economy generally
Resource Management	• Provide training incentives for employers hiring college workers
Economy Fishing Overnight Charters	
Marketing	• Provide greater emphasis on fisheries enhancement programs • Encourage joint marketing with B.C. Tourism for small operators • Provide greater marketing help generally from B.C. Tourism
Facilities	• Release more government land for private lease • Develop proper marine facilities for small craft in Prince Rupert, including a breakwater
Resource Management	• Protect the fishery to increase stocks
Operating Costs	• Decrease taxes • Reduce taxes on the price of fuel
Day Fishing Charters	
Financing	• Develop low cost financing programs • Assist with finding investors • Provide lower interest rates for small businesses • Provide business assistance programs and funding
Marketing	• Encourage better and more effective advertising • More advertising of salt water fishing industry in British Columbia • Promote Victoria as a destination
Resource Management	• Encourage much stricter conservation controls • More hatcheries and control by fisheries • Better fisheries management • Ban commercial fishing oriented devices from sportfishery • Protect salmonoid habitat • Encourage environmental protection • Ban commercial capture and sales of live bait • Control number of lodges and foreshore leases in QCI
Government Relations	• Work with government to develop new funding programs • Educate DFO about recreation sportfishing and its problems • Encourage DFO not to disrupt season with "possible" closure announcements • Work with government to license charter boats • Encourage requirements of all charters to be fully guided • Encourage settlement of Indian land claims

Source: Marine Tourism Operators Survey, 1989.

Exhibit 15.4: Continued

	Suggestions
Industry Organization	• Organize charter fishing owner/guides to eliminate non-charter moonlight operations • Develop stronger lobby efforts with government
Competitive Environment	• Stop American exploitation of our fishery • Encourage reduction in moonlighting/price undercutting practices
Operating Costs	• Encourage lower interest rates and lower marine fuel taxes • Work with government to find more personnel
Marinas	
Financing	• Reduced interest rates for operators • Low interest loan programs for small businesses (e.g., less than $100,000)
Marketing	• A continued tourism promotion effort with more focus given the short season • Financing assistance for promotion
Facilities	• Encourage government to provide larger water leases • Ensure total management of water lease under provincial government control with no municipal involvement • Encourage more positive environment for commercial development • Provide government assistance for large capital expenditures such as dredging and breakwaters • Encourage marina facility development and infrastructure in the Sunshine Coast area • Work with Island's Trust to encourage cooperative approach to tourism
Resource Management	• Reduce commercial herring fishery • Encourage greater government cooperation in sportfishing allocations • Increase pressure to stop driftnet fishery • Resolve Native fishery issues and reduce uncertainties for growth
Sector Recognition	• Encourage government recognition of the marine tourism industry and its economic benefits • Educate the government civil service about marinas and their issues
Operating Costs	• Tax services rather than gross property value • Provide funds for training programs • Completely rewrite (and lower) fuel taxation • Adopt more flexible liquor laws, including liquor license issuance
Related Infrastructure	• Improve ferry services • Improve government approach to highway signage • Provide more breakwaters

Source: Marine Tourism Operators Survey, 1989.

Exhibit 15.4: Continued

	Suggestions
Power Cruising	
Marketing	• More effort by B.C. Tourism to advertise wilderness experience potential with emphasis on outdoor recreation activities • Institute a charter referral system from the existing tourism bureaus • Provincial government assistance to promote boating charters • More publicity and marketing by tourism to the general public to support the industry
Industry Organization	• Encourage greater dialogue with provincial and federal governments • Lobby to address issue of the "Jones Act" • Lobby to have the sector recognized by government
Facilities	• Develop improved facilities (docks, etc.) • Ensure that urban centres (Vancouver, Victoria) allow for charter facilities to moor vessels within the main waterfront areas. • A small craft harbour in Sandspit
Operating Environment	• Relax liquor laws generally and gambling in specific areas • Reduce fuel taxes • Develop firm guidelines on vessel construction requirements to reduce uncertainty • Revision of the current method of application to operate charters
Sail Cruising	
Financing	• Provide lower interest rates for small operators • Low cost loan capital programs for operators
Regulatory Environment	• Offer industry use of government docks or provide a charter marina in Vancouver and Victoria • Provide some subsidy and startup to help compete with the U.S. • Reduce the bureaucracy of the Canada Shipping Act • Provide designated marine facilities in small craft harbours
Operating Environment	• Reduce taxation and user costs • No GST
Facilities	• Improve facilities along B.C. coastline and Gulf Islands • Develop a long-range plan for coastal development • Provide new marina facilities on the south side of Campbell River to accommodate sailboats
Marketing	• Increase government assistance in marketing • An active joint venture campaign with Tourism B.C. • Increase general awareness that B.C. is a good place to sail in the off-season

Source: Marine Tourism Operators Survey, 1989.

Exhibit 15.4: Continued

	Suggestions
Wildlife Viewing	
Financing	• Lower interest rates for small business • Provide programs for low cost loans • Encourage a better understanding of the tourism industry by financial institutions
Resource Management	• Encourage a more responsive Ministry of Environment • Develop a comprehensive tourism resource strategy with participation and decision making by the Tourism Ministry and industry • Set aside wilderness areas for preservation • Strict protection of coastline and waterways • Stop clearcutting • Limit development
Industry Growth	• Encourage greater participation by local, small operations
Marketing	• A tourism marketing plan with help from the government with a marine wilderness emphasis • Marketing to attract larger group sizes • Marketing to increase public awareness of the benefit of group adventure travel • Marketing assistance especially for overseas potential
Operating Environment	• Reductions in the cost of supplies (e.g., food, fuel, liquor, etc.)
Scuba Diving	
Resource Management	• Develop sites protected from resource harvesting for scuba diving • More responsible management by fisheries personnel • Reduce quotas for seine fishing on the inside waters • Encourage a more positive attitude by government
Marketing	• Develop a tourism marketing plan in collaboration with Ministry of Tourism to promote scuba diving
Industry Organization	• Develop an industry organization to represent scuba diving operators
Kayaking	
Resource Management	• Encourage a greater understanding of wilderness values • Encourage community-based planning boards • Place a moratorium on expansion
Competitive Environment	• Stop American-owned companies from using B.C. facilities • Work with government to enable operation in the U.S.
Industry Organization	• Develop an industry organization to represent kayaking • Encourage government recognition of the viability of this industry

Source: Marine Tourism Operators Survey, 1989.

16.0 Institutional Environment

The Marine Tourism Operator survey revealed significant concern on the part of operators for resource management issues and the general future of their businesses. Progress on addressing the issues and concerns raised by operators will require strong industry associations, a full understanding of the role of government in influencing marine tourism industry development, and a willingness on the part of both parties to engage in joint initiatives. In this section, an overview of current industry organization and the role of government is provided, followed by a discussion of implications. The discussion adopts an industry-wide perspective rather than attempting to examine the institutional environment specific to each sector, for it is in a commitment to broad industry-wide approaches that one will find a basis for detailed, sector specific action plans.

16.1 Industry Organization

Historically, the main tourism industry has been organized (where any organization has occurred) along sector specific lines. The strongest organizational efforts have traditionally been in the boating and charter boat areas. Only recently has the industry begun to structure itself along specific tourism product emphases (e.g., sportfishing). Current industry organizations are briefly profiled below.

British Columbia Sportfishing Institute

The British Columbia Sportfishing Institute has been in existence for 10 years, however it has only been in the last 2 years that the organization has hired an executive director to pursue membership and develop structure and programs for the organization. Unlike other tourism operators who have opted for associations, in this case the sportfishing institute has been established to represent three general groups:

- saltwater sportfishing lodges and resorts;
- the marine industry (tidal related) including tackle shops, bait shops, and other supplies; and
- about 400,000 British Columbia tidal water license holders.

Formed in 1990, a six to eight person committee represents the lodge/resort arm of the Institute whose mandate will be to deal with marketing, conferences, and general representation of operator concerns. The ultimate structure intended by the Institute will be a representative body of operators on the committee with one member of the committee serving on the Board of Directors of the Institute.

The general mandate of the Institute will be to help ensure that the expectations of tidal water anglers are matched to the opportunities offered by British Columbia's coastal resources. To that end, the Institute will undertake several activities including:

- hosting conferences on sportfishing activities and the sportfishing industry
- developing position and policy papers to be submitted to government
- monitoring DFO policy developments and decisions and appraising the membership of same
- providing a vehicle for related organizations and individuals to channel their concerns to appropriate government authorities.

In addition to an "arm" of the Institute which is concerned with lodges/resorts, the Institute will also provide services for the newly formed Salmon Forever Foundation. This non-profit organization will be run in conjunction with the Sportfishing Institute under a mandate of fisheries:

- conservation
- habitat enhancement
- education concerning sustainable use.

In sum, the Sportfishing Institute is concerned with representing user groups and interests to government and competing users -- generally in relation to management of the sportfishery resource. Affiliated organizations will undertake their own activities related to other business concerns. For example, it is expected that the Lodge/Resort Operators Association will concern itself with such activities as marketing and the government regulatory environment affecting their business interests other than in the resource management area.

The Sportfishing Institute is in its infancy stage and is refining its mandate, goals and objectives. As the Institute is focused on serving all user groups with respect to tidal sportfishing, the development of a sportfishing lodge association will be left up to the sector itself. The Institute will communicate with the lodges through its committee of six to eight lodge operators. The intent is for the committee to then be linked back to the sector association.

Charter Boat and Related Organizations

There are several organizations which have been formed by charter boat operators and marine related industry representatives. Some are specifically oriented to the tourism industry while one, the Marine Trades Association of British Columbia, has as its members suppliers to the industry as well as to recreational boaters. Some of the key organizations are briefly profiled below.

Western Canada Charter Boat Association. This organization represents the majority of charter operators in the marine tourism industry. Most of the full time operators belong to this organization. In addition there are several smaller (and more regional in nature) associations such as the Prince Rupert Charter Boat and Port Alberni Associations. Members of these regional associations may or may not be members of the Western Charter Boat Association. There is some discussion of having the smaller organizations form chapter groups and become members of the overall Western Canada Charter Boat Association.

The primary focus of the association has been with "protection of the industry" as opposed to marketing or promotion of the industry. The major focus of its activities has been on the operation side of the industry, working with government to resolve issues related to their operational environment. Probably the most successful initiative that the Association has completed has been to assist the federal government in establishing Coast Guard regulations for the charter boat industry. Coast Guard, working with the Association, established a program for charter operators to comply with safety standards for commercial charter vessels. These standards focused on the vessel itself. For many operators, meeting these standards meant substantial capital investment. Recently the Association has met with the Liquor Control and Licensing Branch to help this agency establish licensing criteria which address the differences between charter boats and restaurants.

The Association represents a broad and diverse group of individual operators in different segments of the marine tourism industry. It has been sensitive to this fact and has made an effort not to look as if it is favouring one specific group over another. On the other hand, the Association recognizes that in serving these different segments it has not always been able to respond as quickly or as effectively as may be necessary. As the Association grows in experience and strengthens its organizational structure, it intends to look towards marketing as another major area for new initiatives.

Pacific Northwest Charter Yacht Association. This organization represents a smaller number of operators and has been established primarily to provide marketing support to its members. For example, it acts as a clearinghouse for incoming charter requests and has links with similar organizations in the U.S.

Marine Trades Association of British Columbia. This organization comprises a variety of businesses and operators serving both recreation and commercial boating industry in British Columbia. Its members range from retail boating equipment suppliers to boat builders and maintenance service operations. It is affiliated with the Allied Building Association of Canada and provides a variety of services to its members including marketing and promotion support, industry research and information, boat show organization, and related activities.

Other Industry Organizations

Beyond those organizations described above, some individual operators participate in regional tourism associations, whose primary functions involve marketing for their region. There are no organizations for wildlife viewing operators, nor for kayaking. Dive B.C., an organization of scuba retailers and tourism operators has in the past provided marketing support for the industry. This organization has not been active for the past 3 years. In the past year however, the scuba diving operators have recognized the need for an industry organization and are currently in the process of defining and establishing an industry organization.

16.2 The Role of Government

Government legislation, regulation, and policies affect the marine tourism industry in virtually all aspects of their business. Given the strong concern evidenced by operators about the future of the resource base, the focus of the discussion below is on resource-related issues. Following that, a brief overview of the current role of the Ministry of Tourism is provided.

Sportfishing Management Regime

One of the major concerns of operators (see Section 15.0) is the reduction of the fish stock and availability of fish for their clients. Overall management of the fishery is the responsibility of the Department of Fisheries and Oceans (DFO). Historically DFO's efforts has been focused on commercial fishing, one of the mainstays of the British Columbia economy for several decades. Given the strength of that industry and its longevity, it is not surprising that DFO has allocated the majority of their effort to management of the commercial fishery. Indeed, it is only in the last decade or so that the importance of sportfishing generally has begun to gain recognition with DFO. With the recent emergence of a general understanding of the economic contribution of sportfishing including lodges/resorts and sportfishing charters, the lobby for a stronger voice on the part of sportfishing in DFO fisheries management decisions is increasing. At the present time, the DFO Pacific region responds to sportfishing concerns through the Recreational Fisheries Division. This division is responsible for all sportfishing requirements, not just those of tourism industry operators. Input from various sportfishing groups is provided to DFO through the Sportfishery Advisory Board.

Provincial Initiatives -- Sportfishing

A guiding principle of Canada's Policy for Recreational Fisheries states "within the context of their respective responsibilities, federal, provincial and territorial governments are partners in the management of Canada's recreational fisheries". Recognizing federal responsibilities and jurisdiction in tidal fisheries management, the provincial government has substantial interests in the social and economic aspects of tidal sport fishing. The Ministry of Environment is responsible for management of the freshwater sport fishery and has long been involved in tidal sport fisheries development through its representation on the Federal Sport Fishing Advisory Board.

Since many aspects of the tidal sport fishing infrastructure are actually within provincial jurisdiction, the Province recently established an Interministry Tidal Sport Fisheries Steering Committee comprised of senior officials of the Ministries of Environment (chair), Tourism, Crown Lands, and Agriculture and Fisheries. The Committee has identified and described conservation, economic, and social objectives to guide provincial involvement in this area nad has identified three specific problems requiring policy resolutions:

- allocation of salmon among user groups
- fishing resort and charter boat operations; licensing and siting
- management of the Skeena River mixed stock fishery.

The requirement for provincial representation on the Federal Task Force on Recreational Fisheries Development on the North Coast provided impetus to formalize ongoing federal-provincial consultation on tidal sport fisheries. Specific issues are being addressed including the Ministry of Crown Lands moratorium on fishing lodge development in the Queen Charlotte Islands, harvest sharing among user groups, preserving the quality of the sport fishing experience, and developing a better understanding of the economic and social values of both the recreational and commercial fisheries.

Coastal Resource Management

Tourism has traditionally paid little attention to the question of coastal resource management. In most tourism agencies, not only in Canada but throughout the world, the emphasis has, until only recently, been placed on marketing, promotion, and various forms of assistance to industry through financial and infrastructure development programs. Only in the last decade has the question of the role of tourism in resource management been given more attention. This is partly a function of the perception that the resources on which many of the province's tourism products are in jeopardy. It is also getting more attention because the resource-based tourism industry has experienced both strong growth and significantly new product development, consistent with general tourism trends towards more specialized vacations.

At the present time, there is no legislation which specifically addresses the question of tourism values in coastal resource management. There is a variety of legislation related to coastal resource management, none of which is specifically oriented to the tourism perspective. An overview of the legislative framework is shown in Exhibit 16.1. A topic at the recent TTRA-Canada Conference, it is clear that the tourism perspective plays only a minor role in coastal resource management decisions, if at all. At the same time, the marine tourism industry operators have identified significant concerns with government resource management policies insofar as it can affect their business ranging from clearcutting and the disappearance of wilderness areas to coastal pollution. The variety of legislation and the sheer size and range of government agencies with a mandate to fulfil that legislation makes the task for marine tourism industry operators to address their concerns a daunting one, at best.

Exhibit 16.1: Coastal Zone Tourism Management Policy: Dimensions and Issues

Management Dimension	Associated Federal Acts & Policies	Associated provincial Acts & Policies	Policy Deficiencies from Tourism Perspectives
Water Dependency	None	• Environmental and Land Use Act, B.C. 1979 • Environmental Management Act, B.C., 1981	• no official allocation of coastal land, water, resources based on need for water basis • discretionary consideration of tourism interests
Water Quality	Canada Water Act, Canada 1970 Canada Environmental Protection Act, Canada, 1987	• Environmental Management Act, B.C., 1981	• no legally enforceable standards for discharges • no adopted minimum acceptable receiving water quality levels • conflicting coastal water quality standards • no tourism specific input
Ecological Protection	Canada Wildlife Act, Canada 1973-74 Migratory Birds Convention Act, Canada, 1970	• Wildlife Act, B.C., 1982 • Ecological Reserves Act, • Pacific Estuary Conservation Act, Canada 1970 • Land Act, B.C. 1979	• limited ability to challenge conflicting uses • program funding constraints • discretionary consideration of tourism values
Public Access	Canada Port Corporation Act, Canada, 1970 Navigable Waters Protection Act, Canada, 1970 Public Harbours and Port Facilities Act, Canada, 1970 Railway Act, Canada, 1970	• Land Act, B.C., 1979 • Municipal Act, B.C., 1979	• no protection of public recreation access within land side of coastal zone • no requirement for maintenance or improvement of public access to coastal zone • discretionary consideration of tourism interests

Exhibit 16.1: Coastal Zone Tourism Management Policy: Dimensions and Issues (Cont'd)

Management Dimension	Associated Federal Acts and Policies	Associated provincial Acts and Policies	Policy Deficiencies From Tourism Perspectives
Esthetic Viewing	Canada Ports Corporation Act, Canada, 1970 Navigable Waters Protection Act, Canada, 1970 Public Harbours and Port Facilities Act, Canada, 1970 Railway Act, Canada, 1970	• Land Act, B.C., 1979 • Municipal Act, B.C., 1979	• only limited regulatory powers to prohibit development within municipalities • no senior lead agency ensuring protection of provincial • discretionary consideration of esthetic viewing of coastal zone only • limited Federal-Provincial coordination and consideration of scenic landscapes for tourism

Source: Peter Williams, Tourism Resource Management in the Coastal Zone, Prepared for the TTRA-Canada Conference, Oct., 1990.

Port and Harbour Management

British Columbia's coastline ports and harbours play an integral role in marine tourism as an important infrastructure component of the marine tourism product. British Columbia's ports and harbours are a federal responsibility with major ports administered under the Canada Ports Corporation Act or the Harbour Commission's Act. Of particular concern for marine tourism are the many public harbours and fishing and recreational harbours administered by either the Canadian Coast Guard or the Department of Fisheries and Oceans. These facilities are located throughout British Columbia's coastline, serving local communities.

The British Columbia Ministry of Transportation and Highways is in the midst of a process leading to the development of a British Columbia Ports Policy. A provincial ports policy is sought by British Columbia to ensure that "the provinces' ports are developed, administered and operated to support to the fullest extent possible, the economic and social objectives of British Columbia, while at the same time serving broader regional and the national interests".[1] Some of the key elements of the proposed policy of relevance to the marine tourism industry are:

- that the province play a significant role in the planning and development of ports
- that there be increased local decision making in the port management and development process
- that the province rationalize its water lot jurisdiction to ensure maximum benefits to ports and port-related development
- that the province consider enabling legislation to ensure a more direct role in port planning and administration.

This proposed policy, therefore, has particular relevance for the marine tourism industry to the extent that more local decision making related to ports could lead to greater responsiveness to the needs of the industry. This is not to say that federal administrators are not responsive, but rather that the sheer task of responding to local concerns in over 200 small craft harbour facilities throughout British Columbia's coastline simply requires more resources than are necessarily available.

Role of the Ministry of Tourism

The role of the Ministry of Tourism related to the marine tourism industry is still in the formative stages. At the present time, the Ministry provides support for the industry through such programs as Marketing of British Columbia, Partners in Tourism, specific product development initiatives, and supporting research. The purpose of this study is to develop a clear understanding of the marine tourism industry, its opportunities and constraints, and the possible

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[1] Ministry of Transportation and Highways, British Columbia Ports Policy, Discussion Paper, 1990.

directions for new initiatives in partnership with industry. It is the most recent in a series of analyses which the Ministry has undertaken related to specific sectors of the overall tourism industry (e.g., sportfishing lodges/resorts, guide outfitters, guest ranches, etc.). The Ministry has also assigned a staff position to the sportfishing sector to provide coordination and liaison services between government and industry.

One of the most significant initiatives of the Ministry in the last couple of years has been the establishment of a resource management function within the Ministry itself. Through this initiative, the Ministry will be placing greater emphasis on ensuring that the tourism perspective is well represented in resource management decisions of the province and other levels of government. One of the specific programs under the resource management function of relevance to the marine tourism industry is the development of a coastal tourism resource inventory, the objective of which is to identify and map coastal areas which possess high tourism values. The intent of the Ministry, in cooperation with industry, is to use this inventory as a basis for ongoing product development, input to resource management decisions of other agencies, and tourism development planning throughout British Columbia's coastal areas.

Government Role in the Operational Environment

Outside of the efforts of the sportfishing sectors related to resource management, it appears that industry associations have been largely concerned with operational questions (representations related to liquor licensing and Coast Guard regulations for charter boats are examples). Again there are a variety of government agencies which serve to influence the operational environment of operators. These range from local governments which control coastal land development to the provincial level controlling crown land disposition to the federal level regulating navigation and imposing taxation regimes. While too numerous to document, the one common factor in considering industry organization efforts in this regard is that successes have been achieved where a focused effort in cooperation with government has been the objective. At the same time, it is also clear that there is little in the way of full recognition of the economic importance of the industry overall, considerations that can help in, for example, making representations to local government.

16.3 Implications

Based on the preceding discussion, and the issues and concerns raised by industry operators (Section 15.0), a number of implications and themes arise:

- the marine tourism industry is not well organized as a specific sector of the overall tourism industry in British Columbia. While there are specific examples of strong industry organization (e.g., the charter boat area, marine trades, and recent establishment of the Sportfishing Institute), there is little in the way of a coherent industry organization with a comprehensive mandate for representing industry's views and establishing industry-wide initiatives. This is not to say that there should be one industry organization. It may be more appropriate to have more focused, sector-specific

organizations. It is important to note, however, that a sense of coherence and coordination in representing operator viewpoints is not evident.

- Operators have expressed significant concerns concerning the future of the resource base upon which their livelihoods depend. There are very promising initiatives on the part of industry related to sportfishing. The same is not true for other coastal resource issues, in spite of the concerns of individual operators.

- The tourism perspective is not well represented in coastal resource management. Effective input from the marine tourism industry is likely to require stronger industry organization around the resource issue, a strong partnership with the Ministry of Tourism, and continued efforts by the Ministry of Tourism to develop a tourism coastal resource perspective which it can communicate to regulatory and management agencies.

- There is a general lack of recognition concerning the importance of the marine tourism industry from an economic perspective. To some degree, this study will help to increase sector recognition given its role in providing a benchmark economic impact analysis. As such, the study becomes another tool for both industry and the Ministry of Tourism to communicate the need to give greater consideration to the marine tourism sector.

- There is a significant opportunity to build a strong industry organizational structure and partnerships with government and, in particular, the Ministry of Tourism. Both the Ministry itself and industry are largely in the formative stages relative to focusing on the future of marine tourism in British Columbia generally. This presents an opportunity for both to work together to support expansion and growth in marine tourism.

17.0 Industry Development Initiatives

The marine tourism industry generates an estimated $220 million annually in revenues. This level of economic activity provides a strong incentive to the public sector to help ensure that the industry thrives and prospers.

The industry faces significant challenges in the future, not the least of which is what industry operators perceive as gradual degradation of the resource base on which their products are dependent. At the same time, the industry has been growing rapidly (e.g., 39% of marine tourism businesses have been in operation only in the last five years) and there is no evidence to expect that continued growth will not take place, particularly given:

- worldwide trends toward specialized vacations oriented to internationally competitive tourism products
- a strong interest in the Pacific Coast on the part of the U.S. market (ranked as the #1 destination of preference in a recent U.S. travel survey)[1]
- the fact that the industry has reached its current levels without any focused efforts on the part of the public sector to support their activities
- the intent by the majority of operators (79%) to expand their businesses.

The need to carefully manage the industry's resource base, the significance of the industry to the provincial economy, and the future economic potential are at the heart of the motivation to establish a comprehensive set of initiatives to guide government-industry relations and provide support to the industry's own efforts for growth. ***The initiatives are structured in three general parts; those which are common to all sectors of the marine tourism industry, and those specific to operators, offering either sportfishing-related or coastal marine experiences.***

The initiatives are put forward as ***Recommendations for Consideration*** to the Ministry of Tourism. They are based on an assessment of the opportunities and constraints facing the marine tourism industry, as seen by operators and as revealed through industry product, market and economic profiles presented previously. It is recognized that the Ministry does not have unlimited resources for industry support. In putting forward these initiatives, the emphasis is on a facilitating role, providing coordinating services and helping industry to access either internal Ministry programs (e.g. marketing) or the programs of other ministries and levels of government.

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[1] Longwoods International Inc. 1990 Longwoods Travel USA. Report prepared for Industry, Science and Technology Canada - Tourism, Ottawa.

1. Industry-wide Initiatives

Industry Recognition

A commitment to work with industry is always preceded by acknowledgement or recognition of industry's contribution and importance to the economic future of the jurisdiction in question. As one of the province's leading resource-based tourism industry groups, it behooves the public sector, under the leadership of the Ministry of Tourism, to establish a stronger, more productive working relationship with this industry and, inasmuch as possible, a more positive operating and investment environment.

1.1 Establish the marine tourism industry as a priority industry for attention in the day-to-day activities of the Ministry of Tourism.

1.2 Under the leadership of the Ministry of Tourism, promote recognition of the industry to other provincial ministries and to federal agencies whose activities influence the future of marine tourism industry operators.

More than any other industry group within the overall tourism sector, marine tourism operators must deal with not only local and provincial agencies but also federal agencies ranging from fishery managers to the Coast Guard. It is not enough that the Ministry of Tourism itself recognize this industry. It is also essential that other agencies and levels of government place some emphasis on responding to the issues and concerns of industry operators and working with the industry toward their resolution.

Sound and credible economic information is one of the foundations for achieving industry recognition. Therefore, as the first comprehensive profile of the marine tourism industry in British Columbia, this report should be distributed widely to all public sector agencies with a direct mandate for, and interest in, marine tourism activity.

Industry Organization

1.3 Work with the marine tourism industry to establish and/or strengthen industry organizations. In so doing, consider encouraging industry to organize into two associations, one involving sportfishing related operators and the second involving those operators offering a general coastal experience.

The public sector can be much more effective in working relationships with industry if they are able to deal with a representative industry organization rather than with individual operators or groups of operators. Neither the sportfishing related or coastal experience operators are well organized and perceived to be coherent industry organizations at this time. To be sure, there are examples of industry efforts in either area to work with government on specific issues such as sportfishing allocations or Coast Guard or safety regulations. While these are important first steps, it is essential that industry strengthen its organizations given the nature of the issues which it faces. The suggestion that two industry groups be established reflects the significant

differences between the sportfishing related operators and the coastal experience operators in terms of the nature of the issues, the general industry structure, and the markets.

Resource Management

Resource management issues dominated operators' concerns with respect to the continuing viability of their businesses. On the whole, industry feels threatened by what they perceive to be a gradual but clear degradation of the resource base on which they depend. Given the contribution of this industry to the province's tourism economy, it is critical that resource issues facing the industry be addressed in a coherent and organized fashion. This includes not only establishing a tourism perspective on the important characteristics of the resource base so that the public sector can respond more effectively, but also more formal mechanisms to address current and future issues. The initiatives presented below reflect the common concerns of all sectors. In addition, there are specific concerns related to each group (e.g., habitat enhancement for the sportfishing group and preservation of remote wilderness areas for the coastal experience group) which are addressed in initiatives specific to them. (See Sections 2 and 3 later in this section).

There is a strong relationship between resource management and product development initiatives described below. Given that industry depends strongly on a sustainable resource base which it packages as part of its product, the two areas should be considered in tandem.

1.4 Assist and work with industry in establishing a coastal tourism plan which clearly sets out objectives for resource use, management, and protection from a tourism perspective.

The Ministry of Tourism, under the leadership of its Sustainable Development Branch, has embarked on development of a coastal tourism resource inventory. Working with industry, this inventory is aimed at documenting the important tourism resources throughout British Columbia's coastal areas. As such, it can serve several purposes:

- the basis for development of a coastal tourism plan
- a position statement on tourism's perspective for other ministries mandated with some aspect of resource management in coastal areas
- valuable information for the marine tourism industry in considering growth and/or new product development.

It is important that industry support and encourage the Ministry of Tourism in these efforts. Some of the initiatives identified for both sportfishing related and coastal experience operators compliment this initiative to the extent that they call for industry input to assist the Ministry of Tourism.

1.5 Consider options for a resource management information referral service for industry.

One of the major problems facing the marine tourism industry is the sheer range and number of agencies whose decisions can affect the delivery of their product. In the course of the operator survey, industry participants expressed considerable concern about the general degradation of the resource base, be it in terms of lower fish stocks or loss of wilderness area. The industry would be much better able to respond to pending resource management decisions if there was a central source of information distributed through industry organizations.

The Ministry of Tourism has initiated a study of the need for a province-wide tourism resource council. A resource management information referral service might well be one of the programs which such a tourism resource council could effectively undertake on behalf of its industry association members. Therefore it is suggested that the Ministry of Tourism consider this initiative as part of that study. In practical terms, an information referral service would involve monitoring government agencies to identify information on upcoming resource related decisions, new studies, and/or programs which they could in turn summarize and pass onto industry operators.

Product Development

1.6 Work with industry on quality control issues related to the marine tourism industry product.

There are various aspects of the coastal marine product which together comprise the quality experience which is being marketed:

- the facilities
- services offered by the operators
- the resource base itself (e.g., the availability of fish, scenic values, access to natural attractions, etc)
- the degree of "remoteness" or sense of wilderness experience (i.e., many operators have raised concerns about the degree of overcrowding in popular fishing areas).

Many of these product quality issues are inextricably linked with the capacity of the resource base to sustain tourism activity. For example, some observers suggest that certain areas of the coast have seen lodge development to the point where the fish stocks cannot accommodate any further sportfishing lodge development. In the day fishing charter area, operators have pointed to the moonlighting problem as one which affects the reputation of the whole industry given that the quality of service by moonlighters may not be up to the standards of professional guides. Coastal cruising operators point to degradation of the wilderness experience because of over crowding, pollution and logging.

These are difficult issues for the industry. Some argue that market mechanisms will sort out these issues. Others argue that some measure of public sector intervention is important to support the long term viability of the industry, particularly in the area of resource matters. Given the complexity of many of these issues, and the sensitivity of the resource base to continue development, it is paramount that government initiate discussions with industry on these product quality issues and establish a process for resolution. Reliance solely on market mechanisms is not recommended without a thorough discussion between industry and government concerning the implications of this approach. In some cases, while one is waiting for market mechanisms to work, the resource base may be degraded to the point where several years may be required for recovery. This is not in the interest of either industry or the public sector.

Quality issues are evident for both sportfishing and coastal experience operators. Some of the areas suggested and worth considering by operators in partnership with government include:

- limits on number of lodges where fish stocks are unlikely to be able to accommodate additional development while still maintaining the quality of the sportfishing experience.
- standards or licensing systems for day charter sportfishing guides.
- industry-wide standards of practice for coastal experience operators.
- training programmes to assist industry to increase professionalism in delivering the marine product.
- designation of areas of superb "wilderness experience" value for protection.

Raised by operators themselves, all relate to the quality of the British Columbia marine tourism product and need attention in light of the strong product and resource management concerns expressed by industry operators.

1.7 Investigate the potential for a more streamlined referral and approval process on the part of government specifically related to the regulatory environment which operators face.

In the day-to-day operating environment of a marine tourism business, owners/managers face an almost bewildering array of regulations, government policies, by-laws, operating procedures, and taxes, all of which have served to raise the frustration level of industry participants. While there can be no substitute for the various permitting and regulatory approvals necessary to ensure the public interest, some streamlining is certainly warranted and probably possible if the public sector is committed to it. This issue is particularly important to marinas and sportfishing lodges given that they both utilize landbased and waterbased facilities. Thus they must deal with both marine related and land development regulations. Other sectors also face a complex regulatory environment; e.g. power and sail cruising operators must deal with the coast guard, liquor board, and other agencies as part of their normal operating season.

There are several existing mechanisms for reviewing the regulatory environment facing operators and refining it to balance public interest and private sector objectives. A recent example is the charter boat industry efforts to assist the federal government in establishing Coast Guard regulations for the charter boat industry. *These mechanisms have positive features which should first be examined to determine if they are sufficient for private sector/government interaction.* It may be that, with some refinement, existing referral systems can be used. Other options worth investigation are:

- an inter-agency referral process for operator applications specific to the industry
- an inter-agency committee structure which would facilitate application processing
- a "lead" agency approach where operators would primarily deal with one agency and the agency would assume responsibility for assisting operators through approval processes.

Both the federal and provincial governments are involved in some way with the marine tourism industry in this area and it is suggested that the Ministry of Tourism initiate discussions with appropriate agencies in both levels of government to address the need for more streamlining. This could take the form of a start-up meeting with industry groups to review issues areas identified as part of this report, the advantages and disadvantages of existing referral mechanisms, and establishing a course of action for facilitating industry/government interaction on these issues.

1.8 Assist the industry in working with employment related agencies to provide training assistance.

Many operators identified the absence of trained personnel as an important constraint which must be addressed if they are to consider expansion. Concerns here ranged from the difficulty in finding staff to the need for better trained staff. In addition, some operators noted that they experienced difficulties in securing lodging for staff in some communities. While the latter problem cannot be solved easily, recognition by employment agencies including the provincial Ministry of Social Services and Employment and Immigration Canada of this industry's needs could provide a starting point for joint government/industry program development in the personnel area. In addition, the potential for collaboration with the Pacific Rim Institute of Tourism (PRIT) should also be examined. The Ministry of Tourism, in association with PRIT and the tourism sector associations, is investigating the development of training programs oriented specifically to resource-based tourism operators. It is therefore useful for the industry to initiate contact with PRIT with a view to developing program materials specific to the needs of their industry.

Marketing and Market Research

1.9 Work in partnership with industry to develop marketing approaches which raise the profile of marine tourism opportunities in British Columbia generally, strengthen marketing effectiveness, and provide industry specific marketing tools (e.g., fulfilment packages) through the Ministry of Tourism's marketing channels.

Operators in all sectors of the marine tourism industry were unanimous in desiring a stronger partnership with the Ministry of Tourism on the marketing front. While larger operations (e.g., full service sportfishing lodges) exhibit considerable sophistication in marketing, most of the smaller operations in the marine tourism industry perceive that more specific marketing oriented to their product will yield returns.

1.10 Consider undertaking a follow-up analysis of the needs, expectations, and characteristics of the recreational boating market.

There is a substantial recreational boating market in British Columbia's coastal areas, many of which are visitors from the U.S. Both resident and non-resident boaters provide a valuable source of revenue for marine tourism operators and generate expenditures throughout the coastal areas which they visit. Their needs and expectations are not fully understood and were not captured in any detail as part of this study. Nevertheless, recreational boaters who cruise British Columbia's coastal areas are a marine tourism market which could offer growth potential. Based on the research undertaken for this study, it appears that there is little in the way of formal or focused marketing efforts toward this market segment. Such an analyses could help both industry and the province to better target their marketing efforts in this area.

2.0 Sportfishing Related Initiatives

Product Development

For the most part, sportfishing related operators provided a well developed and successful product. Their concerns generally related to the future of the resource base on which they depend and general government relations. There are, however, some specific product initiatives which should be considered to strengthen the industry.

2.1 Work with the industry to provide workshops on financing and business planning for smaller operators.

Several operators, particularly those offering economy sportfishing overnight charters and day fishing charters, identified the need for help with financing and other business assistance programs to improve their operations. Many of these operators are owner/managers without the resources to fully explore or deal with financing issues. Therefore, workshops to expose these operators to the full range of funding and business assistance programs available and help them consider options specific to their operations will be of assistance. The Ministry already has a well developed set of information materials on tourism development planning and financing,

which with some minor adjustment specific to this industry, could serve as useful support material.

2.2 Work with industry and the financial community to encourage more attractive financing packages for the marine tourism industry.

Operators from all sectors of the sportfishing group identified access to lower cost financing as a key constraint for their business growth. This is not atypical; tourism operators in virtually all other resource-based product areas in the province have identified similar concerns. In this instance, some of the smaller operators, particularly those offering day fishing charters, have noted that they pay a premium for capital financing which makes it difficult to not only maintain a viable business but also to consider expansion. Continued education efforts under the leadership of the Ministry of Tourism and directed toward financial institutions is appropriate and desirable.

2.3 Review facility development needs with the industry and provide coordination and support to help industry address those needs with appropriate government agencies.

Marina operators in particular, and to a lesser extent day charter and economy fishing charter operators, identified a need for facility development in the following areas:

- more government assistance with large capital expenditures for such infrastructure items as breakwaters and related dredging
- a more positive municipal government environment for commercial marina development
- a water lease management regime which is more conducive to marina development
- the release of more government land for private leaseholders.

Individual operators seeking to encourage a better climate for development and/or more government involvement in infrastructure are not as likely to be effective as an approach involving the entire industry. The key here is to set the process in motion which first involves an acknowledgement and second a review of industry needs to determine what actions government can take to provide more support to industry.

2.3.1 Coordinate the efforts involved in assembling facility development needs with identification of high tourism value site potential throughout British Columbia's coastal areas. Ensure that this information is incorporated as part of the planning process for preparation of the coastal tourism plan as set out in Initiative 1.4 previously.

Many of the land-based operators expressed concern that municipal, local, and regional government levels did not fully understand the benefits of the marine tourism industry. Some of these operators noted that they experienced considerable difficulty securing zoning approvals, particularly in rural or remote areas. This is not surprising, particularly in unincorporated areas for which there is no planning concept or plan. Jurisdictions sometimes tend in these cases to rely on the status quo. One of the major steps which can be taken to overcome prohibitive zoning and development regulations is the preparation of the coastal tourism policy/plan suggested in Initiative 1.4 above. If prepared as an overall statement of high value tourism areas along the coast where special consideration should be given for tourism development potential, it can provide not only a policy framework for the province in managing provincial landbased responsibilities, but also a tool for use by local governments in their own planning.

In addition to this approach, there is a need for more effort at profiling the benefits of marine tourism to the provincial economy and encouraging local governments to work with marine tourism operators to achieve acceptable development which provides economic and employment benefits.

Market Development

Sportfishing related operators generally see a greater involvement by the Ministry of Tourism in their marketing efforts as an important element in industry growth and expansion plans. The range of marketing expertise and effectiveness across all sportfishing related sectors varies widely from the larger sportfishing lodges which place great priority and emphasis on marketing to smaller operators who are unable to apply the same absolute level of dollars to marketing and generally believe more help would be beneficial.

2.4 Meet with industry to review their specific needs against the province's current collaborative marketing efforts related to sportfishing. As part of this initiation, consider development of a marketing strategy for all sectors offering tidal sportfishing product.

While many industry operators participate in marketing programs supported by the province (e.g., Partners in Tourism, Saltwater Sportfishing Guide), they also believe marketing efforts on an industry-wide basis specifically oriented to their product area would supplement their own efforts and attract more customers.

2.5 Work with industry to establish marketing workshops for the industry, particularly targeted to smaller operators.

In other sectors, such workshops have been extremely well received by operators. Some of the material assembled for this report could provide the basis for workshop material, containing as it does industry and sector averages for such areas as market origin, marketing tools, and user perspectives.

Institutional Environment and Resource Management

More than any other area, resource management emerged as the primary concern of sportfishing related operators. Issues ranged from habitat degradation to the fishery closure announcement of DFO. The general tone of operator response to survey questions related to resource constraints show that they believe that they are not recognized by the federal government as a sector which makes an important economic contribution. Some parts of the industry are already devoting substantial time and resources to strengthening founded Sportfishing Institute, part of whose mandate is to address resource management issues on their behalf with government. Notwithstanding these efforts, there is more that can be done and, in fact, the most important initiatives in this regard relate not to specific resource management actions but rather to efforts to establish a responsive industry/government working relationship. Once that is in place, then the full resource management issue agenda can be addressed.

2.6 The Ministry of Tourism should encourage sportfishing related operators to form a strong industry association comprising lodges, charter, and marina operators.

While it is recognized that the Sportfishing Institute is intended to serve as a "voice" for sportfishing concerns generally and for tourism operators offering this product, that still does not negate the significant value that a strong operator association offers in working with government. In fact, such an association would also address such areas as:

- product development initiatives
- marketing initiatives
- relationships with coastal communities
- industry profile and recognition initiatives amongst all levels of government.

Indeed, the greater the recognition of the sportfishing related tourism industry, the greater the likely resolve on the part of government to work with industry in addressing their key area of concern -- resource management.

2.7 Encourage the industry to prepare a full description of the resource management agenda for their organization (Initiative 2.6 above). Based on the results of this study, it is suggested that the resource management agenda for the industry should include the various issues raised by operators related to:

- **fish stocks**
- **fisheries allocations**
- **DFO closure announcement practise**
- **habitat protection and enhancement**
- **land use impacts on fishery habitat (e.g., habitat, pollution).**

This agenda list is not intended to pre-empt current efforts of the industry through the Sportfishing Institute initiative. Rather, it simply reflects, in a reporting fashion, the key concerns raised by operators.

2.8 Encourage the industry to work with other organizations such as coastal experience operators, coastal accommodation facilities, and others concerned with the management of the province's coastal resources.

Many of the resource management concerns of this operator group are also shared by other participants in the overall tourism industry. By working together on their common concerns, the "voice" of the marine tourism industry can be much better coordinated and likely yield more affective results.

3. Coastal Experience Initiatives

Product Development

The profile of coastal experience sectors reveal that these operators, for the most part, are relatively new to the tourism industry with 50% having established their business in the last five years. They reported more concerns with their operating environment than did operators in the sportfishing area, generally a reflection of lower average revenues and margins. At the same time, they were equally concerned with issues related to the resource base although the emphasis here was on such issues as degradation of scenic values and pollution.

In general, the product offered by coastal experience operators is well focused and, based on user feedback, appears to be well matched to consumer expectations. The major concerns for operators are financing, the operating environment, and marketing. This is not unexpected given the generally low average revenues per operation as compared to sportfishing operators and given the high incremental costs (i.e., the purchase of additional boats) for expansion.

3.1 Provide workshops to coastal experience operators on financing approaches and business plan preparation, the purpose of which is to increase their access to and success rate with both bank financing and funding through government programs for which they may be eligible.

The format for these workshops is expected to be similar to those proposed for the sportfishing sector (Initiative 2.1). In this case however, financing and business planning workshops should place more emphasis on issues related to operating costs, and factors and strategies to manage costs.

3.2 Work with the industry to identify areas for support in addressing operating costs and competitive environment issues. These include concerns with the Jones Act, guidelines on vessel construction requirements, the charter operation application process, fuel costs, and other issues as may be raised by operators.

Some portions of the industry are already addressing these issues with some success. It would appear that the Ministry of Tourism could provide additional support through facilitating meetings, coordination, and information provision to the industry to assist them in their efforts to address operating environment areas. In addition, the competitive environment is of concern

to these operators, particularly with regard to the Jones Act. More attention by both the provincial and federal governments on this issue will help the industry in its efforts to compete with U.S. charter operations on an even playing field. Implementation of this initiative, together with recommendations concerning stronger industry organization development (Initiative 3.7 below) will go a long way toward strengthening the industry and stabilizing their operating environment.

3.3 Work in consultation with the industry to identify resources which have a high priority for incorporation as part of their product mix. Incorporate the results of this consultation into the process for preparing the coastal tourism plan (Initiative 1.4).

Although related to concerns about resource management, several industry operators have identified the need for more pro-active government action in such areas as setting aside areas for preservation, implementation of a wider network of marine parks, and the like. The motivation here is to ensure that the product which these operators are offering is protected and retains its tourism values. At the present time, some portions of the industry are working with the Ministry of Tourism on the preparation of a Coastal Tourism Resource Inventory. This program of the Ministry is clearly consistent with operator desires for product protection and interaction with industry should be strengthened wherever possible as part of this process. At the same time, there may be specific areas where immediate action can be taken to attempt to protect high priority tourism resource areas. A series of exploratory workshops with industry operators is suggested as an appropriate approach to identifying their concerns and possible strategies for interagency communication.

3.4 Work with industry to identify their concerns with facility development requirements to support their product.

Like some of the smaller sportfishing related operators, operators offering coastal experiences have also identified shortfalls related to the availability of marina facilities and/or reservation space for charter operators at existing marinas as a constraint to their growth. It is suggested that facility development assessments should be undertaken with coastal experience operators in addition to those recommended for sportfishing related operators to develop a specific set of recommendations for consideration by appropriate government agencies. The Ministry of Tourism could play a facilitating role in this regard. This material should also be incorporated as part of the coastal tourism planning effort (Initiative 1.4).

Market Development

Coastal experience operators expressed significantly more concern with marketing as a constraint to business growth than did sportfishing related operators. Given the relatively uncoordinated and unfocused marketing which this industry now undertakes, one can expect significant returns in the form of increased business and revenues from a more effective marketing program.

3.5 Work with the industry to develop a comprehensive marketing strategy and, in so doing, give particular consideration to:

- **general awareness programs concerning British Columbia's coastal tourism opportunities**
- **the preparation of a coastal experience "guide", either separately or as a distinct component of the adventure guide now produced by the Ministry or Tourism**
- **referral service options through such facilities as local tourism bureaus and reservation services.**

One of the problems with current marketing efforts is that some sectors have relied on traditional marketing techniques related to the boating community (e.g., placing ads in boating magazines, using charter brokers). While these are important marketing channels, the product is also of interest to consumers who may not be exposed to boating venues. Given that much of the product sold by power and sail cruising is similar in nature, it should also appeal to those individuals who are not active boaters but who have an interest in an outdoor/adventure travel product. While some operators have moved more into outdoor adventure marketing there is room for more movement given benefits that British Columbia is recognized as an outdoor/adventure destination.

The first step in these marketing efforts is to increase the awareness of British Columbia's coastal experiences. Even though British Columbia is recognized as a destination for outdoor experiences the majority of that focus has been on landbased activities. The Ministry of Tourism has recently included images which are more coastal related, i.e. killer whales in Robson Bight, in their publications. However, these efforts need to be increased to ensure that both North American and international markets recognize British Columbia as a destination for coastal experiences. These efforts would benefit the complete range of marine tourism operators from the kayaking to power/sail cruising to small cruise ship operators and supplement their marketing efforts.

A major gap in the industry's market approach related to coastal experience is the absence of an overall source of information or a "guide" on coastal experience opportunities. At the present time, it would be very difficult for a consumer to readily find information on the full array of opportunities available. The success of the saltwater and freshwater fishing guides are examples of how a comprehensive approach for a specific sector can yield real benefits in the form of increased business for operators.

The first step in this approach would be to commence discussions with the Ministry of Tourism Marketing Branch on specific needs and potential opportunities for a ministry/industry partnership. To ensure the greatest possible effectiveness, the industry should strengthen their organization and form an integrated industry association (Initiative 3.7 below).

3.6 Implement a series of marketing workshops for coastal experience operators.

Many coastal experience operators expressed interest in marketing assistance from government for their sector. Given that the average coastal experience operator is relatively small compared to their sportfishing counterparts, it is particularly important that any expenditures they make on marketing are effective in generating clients. The market information assembled for this report is a useful starting point and the workshops can be tailored to specific concerns of each sector within the coastal experience group using this information as a starting point.

Institutional Environment and Resource Management

The resource management concerns of the coastal experience operators focused on loss of wilderness areas, pollution, and logging issues as the most important resource management concerns. Fish stocks and commercial fishing were also important concerns but regarded as secondary compared to logging and pollution. Other issues included the need for more marine parks, and overcrowding.

3.7 Encourage coastal experience associations and operators to form an integrated industry association.

The single most important initiative for coastal experience operators is the formation of a strong and representative industry association which can serve as a voice for operator concerns and with which governments can interact effectively. While there are associations for specific sectors (e.g., Northwest Charter Association, Marine Trades Association), these do not fully reflect the common coastal experience problems expressed by operators in this area. From the perspective of providing input to (and influencing) government decision-making, a more effective approach is an association which represents all sectors offering coastal experience tourism products. This does not preclude "chapters" or affiliated associations for specific sectors. Rather, it is aimed at establishing a single industry voice on some of the key (and common) issues facing these operators.

3.8 Meet with coastal experience operators and affected government agencies to review their resource management concerns and establish a process for resolving outstanding issues.

Preceding sections of this report have documented resource management concerns of this operator group, ranging from pollution to the need for more marine parks. While some of the operator issues are also a concern to the sportfishing operator group, many are relevant only for those offering coastal experience product. Once a coastal experience operator association is established (Initiative 3.7), it will be much easier for Government to work with the association in a formal and ongoing way. Some initiatives, as mentioned previously, are already underway by the Ministry of the Tourism. For example, the preparation of a coastal tourism resource inventory will provide valuable resource information for coastal experience operators as well as those offering sportfishing products. The inventory will also place the Ministry of Tourism in an excellent position to assist the industry and work with other ministries and government

government agencies in resolving competing use issues and participating in integrated resource planning efforts.

The primary observation in terms of resource management is that, while resource issues are now reasonably well documented, the process for managing these issues is very much a fragmented one. Rationalizing the process will benefit all interested parties.

A more focused approach, together with representation from the overall coastal experience industry, should provide a more efficient and effective means for operators to express their views and raise the profile on their concerns. The greater the focus on their issues and the more professional their approach, the more likely that government will be able to reasonably respond. This requires, as a first step, more effective communication procedures and early input by the industry prior to resource management decision making.

ANNEX A

SURVEY QUESTIONNAIRES

MARINE TOURISM SURVEY

COMMISSIONED BY BRITISH COLUMBIA MINISTRY OF TOURISM

Please take the time to fill out this important questionnaire. Your valuable participation in this survey will enable DPA to prepare a complete synopsis of the marine industry in B.C. Once the study is completed you will receive a copy of the final report which will provide you with detailed information on the markets, products and economics of this industry.

Someone from the DPA Group will be calling you. If you have any immediate questions, please contact Julie Paul, or Alix Sales collect at 604-681-7577. Once you have completed the questionnaire please return it to DPA in the enclosed self addressed stamped envelope.

The information which you provide in this survey will be kept strictly confidential. Only aggregates for the total industry will be presented. Please respond to the following questions to the best of your ability (estimate reasonable values if precise data are not available).

COMPANY DESCRIPTION

1. How many years have you been operating your marine tourism business?

   ..... year(s).

   In 1989 which of the following areas did you operate in? (check all that apply)

   ❑ 1
   ❑ 2
   ❑ 3
   ❑ 4
   ❑ 5
   ❑ 6
   ❑ 7
   ❑ 8

   Which community or city are you based out of?

   _____

2. Which of the following applies to your operation? (check all that apply).

   - ❑ bareboat charters/boat rentals
   - ❑ skippered/guided charters
   - ❑ water taxi
   - ❑ marina/wharves/boat launch

3. Of your total marine business in 1989, what percentage of total revenues was derived from:

   ..... % marina services - moorage, gas, supplies, etc.
   ..... % power cruising
   ..... % sail cruising
   ..... % sport fishing
   ..... % scuba diving
   ..... % wildlife viewing/whale watching
   ..... % kayaking
   ..... % other (specify) _____
   100%

4. Which months are you in business? (check all which apply).

❑ Jan.	❑ May	❑ Sept
❑ Feb	❑ June	❑ Oct
❑ Mar	❑ July	❑ Nov
❑ Apr	❑ Aug	❑ Dec

FACILITIES AND SERVICES

5. How many boats do you have available for your operation and what is the average number of passengers per size category?

Number of Boats		Average Number of Passengers/boat
.....	under 20 feet	.....
.....	20 - 39'	.....
.....	40 - 59'	.....
.....	60 - 100'	.....
.....	100' +	.....

   Do you provide on-board accommodation?

   ❑ Yes ❑ No

   If yes what is the total number of beds? ..... beds

6. What accommodation facilities does your operation provide?

❑ lodge	number of beds	.....
❑ hotel/motel	number of beds	.....
❑ cabins	number of beds	.....

Which of the following facilities and services does your operation **provide?** (check all that apply)

- ❑ short-term moorage
- ❑ bait, tackle, etc.
- ❑ boating school
- ❑ long-term moorage
- ❑ parking
- ❑ restaurant/pub
- ❑ boat launch
- ❑ garbage disposal
- ❑ showers
- ❑ fuel facilities
- ❑ water taxi
- ❑ laundry
- ❑ boating supplies
- ❑ boat repairs
- ❑ boating sales
- ❑ guides

7. What activities does your operation **offer** to your clients? (check all that apply)

- ❑ power cruising
- ❑ intertidal harvesting
- ❑ water skiing
- ❑ sail cruising
- ❑ kayaking
- ❑ water taxi
- ❑ sport fishing
- ❑ swimming
- ❑ native culture
- ❑ scuba diving
- ❑ windsurfing
- ❑ coastal history
- ❑ whale watching
- ❑ wildlife viewing

PRODUCT DESCRIPTION

8. Do you provide bareboat charters/boat rentals?

❑ Yes ❑ No (go to 9)

If yes, how do you price your product?

$ ..... per client

$ ..... per vessel

What is the average cost per client in Canadian dollars? (complete all that apply)

Hour	$	per client/hour
Day	$	per client/day
Overnight Trip	$	per client/night

9. Do you provide skippered/guided charters?

❑ Yes ❑ No (go to 10)

If yes, how do you price your product?

$ ..... per client

$ ..... per vessel

What is the average cost per client in Canadian dollars? (complete all that apply)

Hour	$	per client/hour
Day	$	per client/day
Overnight Trip	$	per client/night

10. Do you provide moorage?

❑ Yes ❑ No (go to 11)

If yes, how many berths do you have?

..... Berths

What is your average cost per foot for: (Complete all that apply)

Day	$	transient cost/ft/day
Month	$	cost/ft/month
Year	$	cost/ft/year

What additional fees do you charge?

water	$ .....
parking	$ .....
electricity	$ .....
sewage pump out	$ .....

11. Please estimate the number of overnight and day clients you served during 1989?

	Overnight Clients	Day Clients
Number of Clients	.....	.....

If you served overnight clients, what was the average number of nights they stayed?

..... average number nights

12. Based on your 1989 facilities and operating season, please estimate the number of overnight and day clients you could have served in 1989?

	Overnight Clients	Day Clients
Number of Clients	.....	.....

CLIENT PROFILE

*The following questions apply to your **total** clientele in 1989.*

13. In 1989 where did your clients come from?

Local	..... %
Other British Columbia	..... %
Alberta	..... %
Other Canada	..... %
U.S. - Washington	..... %
- Oregon	..... %
- California	..... %
U.S. - Mid-States	..... %
U.S. - East Coast	..... %
Overseas - Germany	..... %
Overseas - Other Europe	..... %
Overseas - Asia	..... %
Australia/New Zealand	..... %
Other	..... %
	100%

14. What was the composition of their travel party?

Group Type:

Families	.....%
Singles	.....%
Corporate Groups	.....%
Couples	.....%
	100%

Sex:

Male	.....%
Female	.....%
	100%

15. What were the age groups of your clients?

Under 20	.....%
20 - 34	.....%
35 - 54	.....%
55 or over	.....%
	100%

16. How did your clients travel to your facility or vessel?

vehicle	.....%
air and vehicle	.....%
air only	.....%
	100%

17. What proportion of your clients were repeat customers?

..... %

MARKETING ACTIVITIES

18. Approximately how much did you spend on marketing and promotion in 1989? (Please include related expenses such as travel.)

$ .....

19. Which of the following do you use for marketing? (check all that apply)

- ❑ brochures
- ❑ Ministry Guides (Acommodation Guide, Adventure Guide, Saltwater Fishing Guide etc)
- ❑ magazine ads
- ❑ radio ads
- ❑ promotional donations
- ❑ consumer shows/trade shows (e.g. sportsman shows)
- ❑ videos
- ❑ newspaper ads
- ❑ television ads
- ❑ word of mouth
- ❑ promotional trip/small group presentations
- ❑ complimentary trip for travel writers
- ❑ direct mail
- ❑ contact by phone
- ❑ brokers
- ❑ other (please list)

_____

_____

From the above list, please indicate the three you consider to be the most effective?

_____

_____ . _____

_____

20. What percentage of your business originates from:

Direct Sales	..... %
Charter Brokers	..... %
Wholesalers	..... %
Travel Agents	..... %
Other	..... %
	100%

21. Where did you advertise in 1989?

Local	..... %
British Columbia	..... %
Alberta	..... %
Other Canada	..... %
U.S. - Washington	..... %
- Oregon	..... %
- California	..... %
U.S. - Mid-States	..... %
U.S. - East Coast	..... %
Overseas - Germany	..... %
Overseas - Other Europe	..... %
Overseas - Asia	..... %
Australia/New Zealand	..... %
Other_____	..... %
	100%

22. Do you participate in any collective or cooperative marketing programs?

❑ Yes ❑ No

If yes, which groups did you market with?

- ❑ other charter operators
- ❑ other operators
- ❑ regional tourism associations
- ❑ other associations
- ❑ transportation carriers
- ❑ manufacturers
- ❑ other

23. Of the following features, identify the top three that you emphasize in your marketing?

- ❑ quality of marine experience
- ❑ British Columbia scenic coastline
- ❑ British Columbia wilderness experience
- ❑ experience/professionalism of guides
- ❑ availability of wildlife to view
- ❑ availability of fish
- ❑ affiliations/professional standards
- ❑ quality of facilities and services
- ❑ other _____

24. What are your top three competitive regions outside British Columbia for your marine product (specify location)?

_____
_____
_____
_____

Why do you think your clients choose B.C. over these locations?

_____
_____
_____
_____

THE RESOURCE BASE AND CONCERNS

25. What natural/cultural attributes of the coastline are you most dependent on? (check all that apply)

- ❑ marine mammals
- ❑ subtidal marine animals
- ❑ coastal parks
- ❑ marine birds
- ❑ beaches
- ❑ historic sites
- ❑ fish
- ❑ anchorage sites
- ❑ native culture/history
- ❑ scenic shorelines
- ❑ fjords

26. What do you consider to be the three most serious problems regarding the natural resources, land base or wildlife/fish stock?

Most serious problem

_____
_____
_____
_____

Second most serious problem

_____
_____
_____
_____

Third most serious problem

_____
_____
_____
_____

ECONOMIC INFORMATION

The economic information requested below will be used to determine overall economic benefits associated with the marine tourism industry. This information will be invaluable to the industry and only aggregates for the total industry will be published. ***The information will be kept strictly confidential. Please estimate reasonable values if precise information is not available.***

EMPLOYMENT

27. How many employees did you have at the following times in 1989 (including yourself and working owners/partners)?

	Number of Full Time Employees 1989	Number of Part-Time Employees 1989	Total Number of Employees 1989
Jan. 1	.....	.....	.....
Apr. 1	.....	.....	.....
Jul. 1	.....	.....	.....
Oct. 1	.....	.....	.....

How many of the employees on July 1 were family members? (not including yourself)

..... family members

Do you provide "room and board" to your employees?

❑ Yes ❑ No

INVESTMENT AND EXPENDITURES

28. What **capital expenditures** are associated with your operation?

Category	Total Capital Investment to Date for the operation*	1989 Capital Expenditures
Land or Land Lease	.....	.....
Facilities (Buildings, floats, etc)	.....	.....
Boats	.....	.....
All Other	.....	.....
Total	.....	.....

**original or purchase cost including 1989 expenditures.*

29. What **expenditures** on goods and services associated with providing marine services in British Columbia did your company make in 1989?

	Expenditures	% Share of Expenditures Made in B.C.
Wages & Salary Costs (inc. benefits and payments to yourself and family members)	.....	.....
Crown Lease	.....	.....
Moorage	.....	.....
Maintenance	.....	.....
Food & Accommodation	.....	.....
Commissions/ Brokerage /Booking Fees	.....	.....
Transportation (inc. Fuel)	.....	.....
Marketing/Promotion /Travel	.....	.....
Admin./Office /Insurance[a]	.....	.....
Other[b]	.....	.....
Total Purchase /Expenditures	.....	.....

a)Exclude property taxes, permits, licenses.
b)Exclude interest payments, depreciation and taxes.

Do wages and salaries include payment to yourself?

❑ Yes ❑ No

Do wages and salaries include payment to family workers?

❑ Yes ❑ No

1989 OPERATIONS

30. What were your **Total Gross Revenues** (Canadian $) in 1989 from all goods and services?

$ .....

What percentage of these revenues did not result directly from tourism and recreation?

..... %

31. What were your **Total Gross Revenues** (Canadian $) from providing marine and other goods/services in British Columbia in:

$ 1988

$ 1987

32. If you were to sell your operation, including facilities, boats and equipment, what would be its true market value?

$ .....

THE FUTURE

33. In terms of gross revenue, do you think your business will grow in 1990?

❑ Yes ❑ No

34. Do you want to expand your business?

❑ Yes ❑ No

If yes, how do you propose to expand your business?

_____

_____

35. What do you consider to be the three most serious constraints to the growth and expansion of your business?

Most serious constraint

_____

_____

_____

_____

Second most serious constraint

_____

_____

_____

_____

Third most serious constraint

_____

_____

_____

_____

36. What is required to reduce these constraints?

_____

_____

_____

_____

_____

_____

37. Do you have any additional comments?

_____

_____

_____

_____

_____

_____

_____

Your contribution of time, energy and information to this research project is greatly appreciated. The final report which presents results of this survey and additional information will be forwarded to you. Thank you

MARINE USER SURVEY

The British Columbia Ministry of Tourism is conducting a study of the Marine Tourism industry within the province. One of the primary goals of the study is to identify ways to improve the product and service. We would like you to fill out this questionnaire to help us determine where we can improve on serving you and other visitors to our marine waterways.

---

1. **What activities will you participate in during this marine trip *(check all that apply)***

   - ☐ sport fishing
   - ☐ power cruising
   - ☐ sail cruising
   - ☐ windsurfing
   - ☐ scuba diving
   - ☐ kayaking
   - ☐ whale watching
   - ☐ wildlife viewing
   - ☐ swimming
   - ☐ water skiing
   - ☐ visiting coastal communities
   - ☐ sightseeing
   - ☐ learning about the history and culture
   - ☐ intertidal harvesting
   - ☐ other (Specify) .....

   Using the above list, please circle the activity which you participated most in during this marine trip?

2. **Please indicate the province, state or overseas country where you live?**

   .....

   If you are from B.C. please indicate the community you live in?

   .....

3. **The total number of people (including yourself) in your travelling party is:**

   .....people

4. **Using the map please indicate the areas along the B.C. coastline you will visit on this trip?**

☐☐☐☐☐☐☐☐

1
2
3
4
5
6
7
8

5. **With respect to the vessel you are using is it:**

   - ☐ your own vessel
   - ☐ chartered
   - ☐ rented

6. **Will you use other marina facilities on this trip?**

   - ☐ No
   - ☐ Yes, how many? .....

7. **Over the last three years how many times have you taken a trip on B.C.'s marine waterways (including this trip)?**

   - ☐ first time
   - ☐ 2-5 times
   - ☐ 6-10 times
   - ☐ greater than 10 times

8. **How important are the following factors when you tour B.C.'s marine waterways?**

   Enter (1,2,3,4, or 5) for each factor based on the scale below.

   1 very important
   2 somewhat important
   3 not very important
   4 not at all important
   5 no opinion

   - ☐ cost of trip
   - ☐ ease of access to marina facilities
   - ☐ remote wilderness
   - ☐ opportunity to relax in a marine setting
   - ☐ opportunity to do many activities
   - ☐ opportunity to see beautiful scenery
   - ☐ opportunity to see wildlife
   - ☐ opportunity to fish
   - ☐ opportunity to learn about native culture
   - ☐ opportunity to visit coastal communities

9. **To what extent does B.C.'s marine waterways satisfy your expectations for each of the following factors?**

   Enter (1,2,3,4 or 5) for each factor based on the scale below.

   1 very satisfied
   2 somewhat satisfied
   3 not very satisfied
   4 not at all satisfied
   5 no opinion

   - ☐ cost of trip
   - ☐ ease of access to marina facilities
   - ☐ remote wilderness
   - ☐ opportunity to relax in a marine setting
   - ☐ opportunity to do many activities
   - ☐ opportunity to see beautiful scenery
   - ☐ opportunity to see wildlife
   - ☐ opportunity to fish
   - ☐ opportunity to learn about native culture
   - ☐ opportunity to visit coastal communities

10. **Why did you choose B.C. as a destination for a marine trip?**

11. **Did you consider other destinations?**

- ☐ No
- ☐ Yes, which ones .....

12. **What would improve your marine tourism experience in B.C.?**

13. **How far in advance did you start planning your marine trip?**

- ☐ Less than one month
- ☐ One month to six months
- ☐ 6 - months to one year
- ☐ More than one year in advance

14. **How did you find out about the B.C. coastal waterways?**

- ☐ From a friend
- ☐ Operator's brochure
- ☐ Newspaper
- ☐ Magazine, which one? .....
- ☐ Consumer show, which one .....
- ☐ B.C. Government magazine or brochure
- ☐ Travel agent, which one .....
- ☐ Other (Specify) .....

15. **Do you feel that the information you received about the B.C. marine product was:**

Complete? ☐ Yes ☐ No

An accurate reflection of the services you received?

☐ Yes ☐ No

16. **How much did you spend in total in B.C. for your trip? (this includes additional days you may have spent before or after your marine trip)**

.....$ Canadian

Please indicate by percentage breakdown how this total was spent?

..... % Vessel costs

..... % Air or land transportation costs

..... % Non marine related activities

..... % Accommodation/meals

..... % Other (Specify) .....

100%

17. **How long is your marine trip?**

- ☐ 1/2 day
- ☐ 1 day

If more than 1 day, how many?

.....days

How many additional days within B.C. will you spend away from your home either before or after your marine trip?

.....days

18. **Would you plan another marine trip to B.C.?**

- ☐ Yes
- ☐ No

If yes, when do you think that will be?

- ☐ 1991
- ☐ Within the next two years
- ☐ Within the next three years

If yes, will you go back to the same area?

- ☐ Yes
- ☐ No

Why or why not? .....

19. **Please indicate your age category?**

- ☐ 19-24
- ☐ 25-34
- ☐ 35-44
- ☐ 45-54
- ☐ 55-64
- ☐ 65+

20. **Please indicate the category of your total household income before taxes for 1990?**

- ☐ less than $20,000
- ☐ $20,000 - $39,999
- ☐ $40,000 - $59,999
- ☐ $60,000 and over

21. **Please write any further comments you may have on B.C. 's marine tourism product?**

Please return this questionnaire to the marine operator or mail to the following address:

The DPA Group Inc.
Suite 402, 475 Howe Street
Vancouver, B.C. V6C 2B3

Thank you again.

MARINE TOURISM SURVEY

The British Columbia Ministry of Tourism is conducting a study of the Marine Tourism industry within the province. One of the primary goals of the study is to identify ways to improve the product and service. We would like you to fill out this questionnaire to help us determine where we can improve on serving you and other visitors to our marine waterways.

---

1. **What activities have you participated in during this charter?** *(check all that apply)*

   - ☐ sport fishing
   - ☐ power cruising
   - ☐ sail cruising
   - ☐ windsurfing
   - ☐ scuba diving
   - ☐ kayaking
   - ☐ whale watching
   - ☐ wildlife viewing
   - ☐ swimming
   - ☐ water skiing
   - ☐ visiting coastal communities
   - ☐ sightseeing
   - ☐ learning about the history and culture
   - ☐ intertidal harvesting
   - ☐ other (Specify) _____

   Using the above list, please circle the activity which you participated most in during this charter?

2. **How many days is your charter?**

   _____ days

3. **How many additional days within B.C. will you spend away from your home either before or after your charter?**

   _____ days

4. **Over the last three years how many times have you purchased a marine charter within B.C.?** *(including this trip)*

   - ☐ first time
   - ☐ 2-5 times
   - ☐ 6-10 times
   - ☐ greater than 10 times

5. **How important were the following factors when you selected this charter?**

   Enter (1,2,3,4, or 5) for each factor based on the scale below:

   1 very important
   2 somewhat important
   3 not very important
   4 not at all important
   5 no opinion

   - ☐ cost of the charter
   - ☐ quality of the vessel
   - ☐ level of personal service
   - ☐ ease of access to vessel
   - ☐ remote wilderness
   - ☐ opportunity to relax in a marine setting
   - ☐ opportunity to do many activities
   - ☐ opportunity to see beautiful scenery
   - ☐ opportunity to see wildlife
   - ☐ opportunity to fish
   - ☐ opportunity to learn about native culture
   - ☐ opportunity to visit coastal communities

6. **Why did you choose B.C. as a marine tourism destination?**

   _____
   _____
   _____
   _____
   _____
   _____
   _____
   _____
   _____

7. **Did you consider other destinations outside of B.C.?**

   - ☐ No
   - ☐ Yes, which ones _____

   _____

8. **To what extent did this charter satisfy your expectations for each of the following factors?**

   Enter (1,2,3,4 or 5) for each factor based on the scale below?

   1 very satisfied
   2 somewhat satisfied
   3 not very satisfied
   4 not at all satisfied
   5 no opinion

   - ☐ cost of the charter
   - ☐ quality of the vessel
   - ☐ level of personal service
   - ☐ ease of access to vessel
   - ☐ remote wilderness
   - ☐ opportunity to relax in a marine setting
   - ☐ opportunity to do many activities
   - ☐ opportunity to see beautiful scenery
   - ☐ opportunity to see wildlife
   - ☐ opportunity to fish
   - ☐ opportunity to learn about native culture
   - ☐ opportunity to visit coastal communities

9. **What would improve your marine tourism experience in B.C.?**

   _____
   _____
   _____
   _____
   _____
   _____
   _____
   _____
   _____
   _____
   _____
   _____
   _____
   _____
   _____
   _____
   _____
   _____
   _____
   _____

10. How far in advance did you start planning your charter?

- ❑ Less than one month
- ❑ One month to six months
- ❑ Six months to one year
- ❑ More than one year in advance

11. How did you find out about this charter?

- ❑ From a friend
- ❑ Operator's brochure
- ❑ Newspaper
- ❑ Magazine, which one? _____
- ❑ Consumer show, which one? _____
- ❑ B.C. Government magazine or brochure
- ❑ Travel agent, which one? _____
- ❑ Other *(Specify)* _____

12. Do you feel that the information you received about this charter was:

Complete? ❑ Yes ❑ No

An accurate reflection of the services you received?

- ❑ Yes
- ❑ No

13. How much did you spend in total in B.C. for your trip? *(this includes additional days you may have spent before or after your charter)*

_____ $ Canadian

Please indicate by percentage breakdown how this total was spent?

_____ % Cost of charter
_____ % Transportation not included in the charter cost
_____ % Non marine related activities
_____ % Accommmeals not included in the charter cost
_____ % Other (Specify) _____

100%

14. Would you plan another marine trip to B.C.?

- ❑ Yes
- ❑ No

If yes, when do you think that will be?

- ❑ 1991
- ❑ Within the next two years
- ❑ Within the next three years

If yes, will you go back to the same operator?

- ❑ Yes
- ❑ No

Why or why not? _____

15. Please indicate your age category?

- ❑ 19-24
- ❑ 25-34
- ❑ 35-44
- ❑ 45-54
- ❑ 55-64
- ❑ 65+

16. Please indicate the province, state or overseas country where you live?

_____

17. Please indicate the category of your total household income before taxes for 1990?

- ❑ less than $20,000
- ❑ $20,000 - $39,999
- ❑ $40,000 - $59,999
- ❑ $60,000 and over

18. Please write any further comments you may have on B.C.'s marine tourism product?

Please return this questionnaire to the marine charter operator or mail to the following address:

The DPA Group Inc.
Suite 402, 475 Howe Street
Vancouver, B.C. V6C 2B3

Thank you again.

ANNEX B

PROCEDURE TO ESTIMATE 1990 SPORTFISHING ACTIVITY

Annex B
Procedure to Estimate 1990 Sportfishing Activity

Canada Fisheries and Oceans (DFO) estimated the economic impact of sport fishermen's direct expenditures on gross output to be $1.05 billion in 1985 (see Section 2.0, Exhibit 2.4). This impact includes:

- effects of both saltwater and freshwater expenditures,
- effects of both direct expenditures and multiplier effects on supplier and consumer spending industries, and
- effects of both capital and non-capital expenditures.

We also noted that only a portion of these impacts could be regarded as tourism impacts, and that the gross output measure includes significant double counting (see Section 2.3).

Nevertheless, we felt that it would be useful to update the 1985 DFO estimates to a 1989 basis. The 1989 revenues of lodges, overnight charters and day charters from this study were used to estimate the 1989 figure for saltwater package expenditures. All other entries of Exhibit 2.4 were updated to 1989 on the basis of a 4% increase per annum in expenditures. The 4% figure represented an adjustment for inflation.

The result is that the economic impact of 1989 sportfishing expenditures, **on a basis equivalent to that estimated by DFO,** was projected to be $1.3 billion (Exhibit B.1). We emphasize again that the projection does **not** represent marine tourism expenditures, and is not consistent with the supply side, operator approach adopted for this study.

Exhibit B.1: Projected 1989 Expenditures Associated with Sportfishing in British Columbia

	Saltwater	Freshwater	Total
Operating Expenditures ($ millions)			
Food & Lodging	$68	$72	$140
Transportation	146	70	216
Fishing Gear	13	10	23
Fishing Services	12	8	20
Packages	77	7	84
Other	1	1	2
Subtotal	317	168	485
Capital Expenditures ($ millions)	$193	$187	$380
Total Direct Expenditures $ millions	$510	$355	$865
Provincial Output Multiplier	1.5	1.5	1.5
Total Expenditures[a] ($ millions)	**$765**	**$533**	**$1,298**

a Direct, indirect plus induced expenditures.

Source: Saltwater package expenditures estimated as sum of lodge, overnight charter and day charter revenues (Exhibit 2.5). All other expenditure components represent 1985 expenditures as reported by DFO (Exhibit 2.4), escalated at 4% per year for 4 years.